





MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES

TO THE

TWO HOUSES OF CONGRESS

AT THE COMMENCEMENT OF THE

SECOND SESSION OF THE FORTY-SEVENTH CONGRESS

WITH THE

REPORTS OF THE HEADS OF DEPARTMENTS

AND

SELECTIONS FROM ACCOMPANYING DOCUMENTS.

EDITED BY

BEN: PERLEY POORE.

UNIV. OF CALIFORNIA
LIBRARY
WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1882.

Prepared in accordance with the provisions of the Revised Statutes, approved June 23, 1874.

SEC. 75. The Joint Committee on Public Printing shall appoint a competent person, who shall edit such portion of the documents accompanying the annual reports of the Departments as they may deem suitable for popular distribution, and prepare an alphabetical index thereto.

* * * * *

SEC. 196. The head of each Department, except the Department of Justice, shall furnish to the Congressional Printer copies of the documents usually accompanying his annual report on or before the first day of November in each year, and a copy of his annual report on or before the third Monday of November in each year.

* * * * *

SEC. 3798. Of the documents named in this section there shall be printed and bound, in addition to the usual number for Congress, the following numbers of copies, namely :

* * * * *

Second. Of the President's message, the annual reports of the Executive Departments, and the abridgment of accompanying documents, unless otherwise ordered by either house, ten thousand copies for the use of the members of the Senate and twenty-five thousand copies for the use of the members of the House of Representatives.

J 82
C 42

MESSAGE

OF

THE PRESIDENT OF THE UNITED STATES.

*To the Senate and
House of Representatives
of the United States:*

It is provided by the Constitution that the President shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

In reviewing the events of the year which has elapsed since the commencement of your sessions, I first call your attention to the gratifying condition of our foreign affairs. Our intercourse with other Powers has continued to be of the most friendly character.

Such slight differences as have arisen during the year have been already settled or are likely to reach an early adjustment. The arrest of citizens of the United States in Ireland under recent laws which owe their origin to the disturbed condition of that country has led to a somewhat extended correspondence with the Government of Great Britain. A disposition to respect our rights has been practically manifested by the release of the arrested parties.

The claim of this nation in regard to the supervision and control of any inter-oceanic canal across the American Isthmus has continued to be the subject of conference.

It is likely that time will be more powerful than discussion in removing the divergence between the two nations, whose friendship is so closely cemented by the intimacy of their relations and the community of their interests.

Our long-established friendliness with Russia has remained unshaken. It has prompted me to proffer the earnest counsels of this government that measures be adopted for suppressing the proscription which the Hebrew race in that country has lately suffered. It has not transpired that any American citizen has been subjected to arrest or injury, but our courteous remonstrance has nevertheless been courteously received. There is reason to believe that the time is not far distant when Russia will be able to secure toleration to all faiths within her borders.

At an international convention held at Paris in 1880, and attended by representatives of the United States, an agreement was reached in

respect to the protection of trade-marks, patented articles, and the rights of manufacturing firms and corporations. The formulating into treaties of the recommendations thus adopted is receiving the attention which it merits.

The protection of submarine cables is a subject now under consideration by an international conference at Paris. Believing that it is clearly the true policy of this government to favor the neutralization of this means of intercourse, I requested our minister to France to attend the convention as a delegate. I also designated two of our eminent scientists to attend as our representatives at the meeting of an international committee at Paris, for considering the adoption of a common unit to measure electric force.

In view of the frequent occurrence of conferences for the consideration of important matters of common interest to civilized nations, I respectfully suggest that the Executive be invested by Congress with discretionary power to send delegates to such conventions, and that provision be made to defray the expenses incident thereto.

The difference between the United States and Spain as to the effect of a judgment and certificate of naturalization has not yet been adjusted; but it is hoped and believed that negotiations now in progress will result in the establishment of the position which seems to this government so reasonable and just.

I have already called the attention of Congress to the fact that in the ports of Spain and its colonies onerous fines have lately been imposed upon vessels of the United States for trivial technical offenses against local regulations. Efforts for the abatement of these exactions have thus far proved unsuccessful.

I regret to inform you also that the fees demanded by Spanish consuls in American ports are in some cases so large, when compared with the value of the cargo, as to amount in effect to a considerable export duty, and that our remonstrances in this regard have not as yet received the attention which they seem to deserve.

The German Government has invited the United States to participate in an international exhibition of domestic cattle, to be held at Hamburg in July, 1883. If this country is to be represented, it is important that, in the early days of this session, Congress should make a suitable appropriation for that purpose.

The death of Mr. Marsh, our late minister to Italy, has evoked from that government expressions of profound respect for his exalted character and for his honorable career in the diplomatic service of his country. The Italian Government has raised a question as to the propriety of recognizing in his dual capacity the representative of this country recently accredited both as secretary of legation and as consul-general at Rome. He has been received as secretary, but his exequatur as consul-general has thus far been withheld.

The extradition convention with Belgium, which has been in operation since 1874, has been lately supplanted by another. The Senate has signified its approval and ratifications have been duly exchanged between the contracting countries. To the list of extraditable crimes has been added that of the assassination or attempted assassination of the chief of the state.

Negotiations have been opened with Switzerland looking to a settlement by treaty of the question whether its citizens can renounce their allegiance and become citizens of the United States without obtaining the consent of the Swiss Government.

I am glad to inform you that the immigration of paupers and criminals from certain of the cantons of Switzerland has substantially ceased and is no longer sanctioned by the authorities.

The consideration of this subject prompts the suggestion that the act of August 3, 1882, which has for its object the return of foreign convicts to their own country, should be so modified as not to be open to the interpretation that it affects the extradition of criminals on preferred charges of crime.

The Ottoman Porte has not yet assented to the interpretation which this government has put upon the treaty of 1830 relative to its jurisdictional rights in Turkey. It may well be, however, that this difference will be adjusted by a general revision of the system of jurisdiction of the United States in the countries of the East—a subject to which your attention has been already called by the Secretary of State.

In the interest of justice towards China and Japan, I trust that the question of the return of the indemnity fund to the governments of those countries will reach, at the present session, the satisfactory solution which I have already recommended, and which has recently been foreshadowed by Congressional discussion.

The treaty lately concluded with Corea awaits the action of the Senate.

During the late disturbance in Egypt the timely presence of American vessels served as a protection to the persons and property of many of our own citizens and of citizens of other countries, whose governments have expressed their thanks for this assistance.

The recent legislation restricting immigration of laborers from China has given rise to the question whether Chinese proceeding to or from another country may lawfully pass through our own.

Construing the act of May 6, 1882, in connection with the treaty of November 7, 1880, the restriction would seem to be limited to Chinese immigrants coming to the United States as laborers, and would not forbid a mere transit across our territory. I ask the attention of Congress to the subject for such action, if any, as may be deemed advisable.

This government has recently had occasion to manifest its interest in the Republic of Liberia by seeking to aid the amicable settlement of the boundary dispute now pending between that republic and the British possession of Sierra Leone.

The reciprocity treaty with Hawaii will become terminable after September 9, 1883, on twelve months' notice by either party. While certain provisions of that compact may have proved onerous, its existence has fostered commercial relations which it is important to preserve. I suggest, therefore, that early consideration be given to such modifications of the treaty as seem to be demanded by the interests of our people.

In view of our increasing trade with both Hayti and Santo Domingo, I advise that provision be made for diplomatic intercourse with the latter, by enlarging the scope of the mission at Port-au-Prince.

I regret that certain claims of American citizens against the Government of Hayti have thus far been urged unavailingly.

A recent agreement with Mexico provides for the crossing of the frontier by the armed forces of either country in pursuit of hostile Indians. In my message of last year I called attention to the prevalent lawlessness upon the borders and to the necessity of legislation for its suppression. I again invite the attention of Congress to the subject.

A partial relief from these mischiefs has been sought in a convention, which now awaits the approval of the Senate, as does also another touching the establishment of the international boundary between the United States and Mexico. If the latter is ratified, the action of Congress will be required for establishing suitable commissions of survey. The boundary dispute between Mexico and Guatemala, which led this government to proffer its friendly counsels to both parties, has been amicably settled.

No change has occurred in our relations with Venezuela. I again invoke your action in the matter of the pending awards against that republic to which reference was made by a special message from the Executive at your last session.

An invitation has been received from the Government of Venezuela to send representatives in July, 1883, to Caracas, for participating in the centennial celebration of the birth of Bolivar, the founder of South American independence. In connection with this event it is designed to commence the erection at Caracas of a statue of Washington, and to conduct an industrial exhibition which will be open to American products. I recommend that the United States be represented, and that suitable provision be made therefor.

The elevation of the grade of our mission in Central America to the plenipotentiary rank, which was authorized by Congress at its late session, has been since effected.

The war between Peru and Bolivia on the one side and Chili on the other began more than three years ago. On the occupation by Chili in 1880 of all the littoral territory of Bolivia, negotiations for peace were conducted under the direction of the United States. The allies refused to concede any territory, but Chili has since become master of the whole coast of both countries and of the capital of Peru. A year since, as you have already been advised by correspondence transmitted to you in January last, this government sent a special mission to the

belligerent powers to express the hope that Chili would be disposed to accept a money indemnity for the expenses of the war and to relinquish her demand for a portion of the territory of her antagonist.

This recommendation, which Chili declined to follow, this government did not assume to enforce; nor can it be enforced without resort to measures which would be in keeping neither with the temper of our people nor with the spirit of our institutions.

The power of Peru no longer extends over its whole territory, and, in the event of our interference to dictate peace, would need to be supplemented by the armies and navies of the United States. Such interference would almost inevitably lead to the establishment of a protectorate—a result utterly at odds with our past policy, injurious to our present interests, and full of embarrassments for the future.

For effecting the termination of hostilities upon terms at once just to the victorious nation and generous to its adversaries, this government has spared no efforts save such as might involve the complications which I have indicated.

It is greatly to be deplored that Chili seems resolved to exact such rigorous conditions of peace and indisposed to submit to arbitration the terms of an amicable settlement. No peace is likely to be lasting that is not sufficiently equitable and just to command the approval of other nations.

About a year since, invitations were extended to the nations of this continent to send representatives to a peace congress to assemble at Washington in November, 1882. The time of meeting was fixed at a period then remote, in the hope, as the invitation itself declared, that in the mean time the disturbances between the South American republics would be adjusted. As that expectation seemed unlikely to be realized I asked in April last for an expression of opinion from the two houses of Congress as to the advisability of holding the proposed convention at the time appointed. This action was prompted in part by doubts which mature reflection had suggested whether the diplomatic usage and traditions of the government did not make it fitting that the Executive should consult the representatives of the people before pursuing a line of policy somewhat novel in its character, and far-reaching in its possible consequences. In view of the fact that no action was taken by Congress in the premises and that no provision had been made for necessary expenses, I subsequently decided to postpone the convocation, and so notified the several governments which had been invited to attend.

I am unwilling to dismiss this subject without assuring you of my support of any measures the wisdom of Congress may devise for the promotion of peace on this continent and throughout the world, and I trust that the time is nigh when, with the universal assent of civilized peoples, all international differences shall be determined without resort to arms by the benignant processes of arbitration.

Changes have occurred in the diplomatic representation of several foreign powers during the past year. New ministers from the Argen-

tine Republic, Austria-Hungary, Brazil, Chili, China, France, Japan, Mexico, the Netherlands, and Russia have presented their credentials. The missions of Denmark and Venezuela at this capital have been raised in grade. Switzerland has created a plenipotentiary mission to this government, and an embassy from Madagascar and a minister from Siam will shortly arrive.

Our diplomatic intercourse has been enlarged by the establishment of relations with the new Kingdom of Servia, by the creation of a mission to Siam, and by the restoration of the mission to Greece. The Shah of Persia has expressed his gratification that a chargé d'affaires will shortly be sent to that country, where the rights of our citizens have been hitherto courteously guarded by the representatives of Great Britain.

I renew my recommendation of such legislation as will place the United States in harmony with other maritime powers with respect to the international rules for the prevention of collisions at sea.

In conformity with your joint resolution of the 3d of August last, I have directed the Secretary of State to address foreign governments in respect to a proposed conference for considering the subject of the universal adoption of a common prime meridian to be used in the reckoning of longitude and in the regulation of time throughout the civilized world. Their replies will, in due time, be laid before you.

An agreement was reached at Paris in 1875 between the principal Powers for the interchange of official publications through the medium of their respective Foreign Departments.

The admirable system which has been built up by the enterprise of the Smithsonian Institution affords a practical basis for our co-operation in this scheme, and an arrangement has been effected by which that institution will perform the necessary labor, under the direction of the Department of State. A reasonable compensation therefor should be provided by law.

A clause in the act making appropriations for the diplomatic and consular service contemplates the reorganization of both branches of such service on a salaried basis, leaving fees to inure to the benefit of the Treasury. I cordially favor such a project, as likely to correct abuses in the present system. The Secretary of State will present to you at an early day a plan for such reorganization.

A full and interesting exhibit of the operations of the Treasury Department is afforded by the report of the Secretary.

It appears that the ordinary revenues from all sources for the fiscal year ended June 30, 1882, were as follows:

From customs	\$220, 410, 730 25
From internal revenue	146, 497, 595 45
From sales of public lands.....	4, 753, 140 37
From tax on circulation and deposits of national banks..	8, 956, 794 45
From repayment of interest by Pacific Railway Companies	840, 554 37
From sinking fund for Pacific Railway Companies ...	796, 271 42

From customs fees, fines, penalties, &c.....	\$1,343,348 00
From fees—consular, letters patent, and lands.....	2,638,990 97
From proceeds of sales of government property.....	314,959 85
From profits on coinage, bullion deposits, and assays.....	4,116,693 73
From Indian trust funds.....	5,705,243 22
From deposits by individuals for surveying public lands.....	2,052,306 36
From revenues of the District of Columbia.....	1,715,176 41
From miscellaneous sources.....	3,383,445 43
Total ordinary receipts.....	403,525,250 28

The ordinary expenditures for the same period were—

For civil expenses.....	\$18,042,386 42
For foreign intercourse.....	1,307,583 19
For Indians.....	9,736,747 40
For pensions.....	61,345,193 95
For the military establishment, including river and harbor improvements, and arsenals.....	43,570,494 19
For the naval establishment, including vessels, ma- chinery, and improvements at navy-yards.....	15,032,046 26
For miscellaneous expenditures, including public build- ings, light-houses, and collecting the revenue.....	31,539,237 50
For expenditures on account of the District of Co- lumbia.....	3,330,543 87
For interest on the public debt.....	71,077,206 79
Total ordinary expenditures.....	257,981,439 57
Leaving a surplus revenue of.....	145,543,810 71
Which, with an amount drawn from the cash bal- ance in the Treasury of.....	20,737,694 84
Making.....	166,281,505 55

Was applied to the redemption—

Of bonds for the sinking fund.....	60,079,150 00
Of fractional currency for the sinking fund.....	58,705 55
Of loan of July and August, 1861.....	62,572,050 00
Of loan of March, 1863.....	4,472,900 00
Of funded loan of 1881.....	37,191,450 00
Of loan of 1858.....	1,000 00
Of loan of February, 1861.....	303,000 00
Of five-twenties of 1862.....	2,100 00
Of five-twenties of 1864.....	7,400 00
Of five-twenties of 1865.....	6,500 00
Of ten-forties of 1864.....	254,550 00
Of consols of 1865.....	86,450 00

Of consols of 1867.....	\$103,250 00
Of consols of 1868.....	141,400 00
Of Oregon war debt.....	675,250 00
Of old demand, compound interest, and other notes.....	18,350 00
	<hr/> 166,281,505 55

The foreign commerce of the United States during the last fiscal year, including imports and exports of merchandise and specie, was as follows:

Exports: Merchandise.....	\$750,542,257
Specie.....	49,417,479
Total.....	<hr/> 799,959,736
Imports: Merchandise.....	724,639,574
Specie.....	42,472,390
Total.....	<hr/> 767,111,964

Excess of exports over imports of merchandise..... 25,902,683

This excess is less than it has been before for any of the previous six years, as appears by the following table:

Year ended June 30—	Excess of exports over imports of merchandise.
1876.....	\$79,643,481
1877.....	151,152,094
1878.....	257,814,234
1879.....	264,661,666
1880.....	167,683,912
1881.....	259,712,718
1882.....	<hr/> 25,902,683

During the year there have been organized 171 national banks, and of those institutions there are now in operation 2,269, a larger number than ever before. The value of their notes in active circulation on July 1, 1882, was \$324,656,458.

I commend to your attention the Secretary's views in respect to the likelihood of a serious contraction of this circulation, and to the modes by which that result may, in his judgment, be averted.

In respect to the coinage of silver dollars and the retirement of silver certificates I have seen nothing to alter but much to confirm the sentiments to which I gave expression last year.

A comparison between the respective amounts of silver-dollar circulation on November 1, 1881, and on November 1, 1882, shows a slight increase of a million and a half of dollars. But during the interval there had been in the whole number coined an increase of twenty-six millions. Of the one hundred and twenty-eight millions thus far minted, little

more than thirty-five millions are in circulation. The mass of accumulated coin has grown so great that the vault room at present available for storage is scarcely sufficient to contain it. It is not apparent why it is desirable to continue this coinage, now so enormously in excess of the public demand.

As to the silver certificates, in addition to the grounds which seemed last year to justify their retirement may be mentioned the effect which is likely to ensue from the supply of gold certificates, for whose issuance Congress recently made provision, and which are now in active circulation.

You cannot fail to note with interest the discussion by the Secretary as to the necessity of providing by legislation some mode of freeing the Treasury of an excess of assets, in the event that Congress fails to reach an early agreement for the reduction of taxation.

I heartily approve the Secretary's recommendation of immediate and extensive reductions in the annual revenues of the government.

It will be remembered that I urged upon the attention of Congress at its last session the importance of relieving the industry and enterprise of the country from the pressure of unnecessary taxation. It is one of the tritest maxims of political economy that all taxes are burdensome, however wisely and prudently imposed. And though there have always been among our people wide differences of sentiment as to the best methods of raising the national revenues, and, indeed, as to the principles upon which taxation should be based, there has been substantial accord in the doctrine that only such taxes ought to be levied as are necessary for a wise and economical administration of the government. Of late the public revenues have far exceeded that limit, and unless checked by appropriate legislation such excess will continue to increase from year to year. For the fiscal year ended June 30, 1881, the surplus revenue amounted to one hundred millions of dollars: for the fiscal year ended on the 30th of June last the surplus was more than one hundred and forty-five millions.

The report of the Secretary shows what disposition has been made of these moneys. They have not only answered the requirements of the sinking fund, but have afforded a large balance applicable to other reductions of the public debt.

But I renew the expression of my conviction that such rapid extinguishment of the national indebtedness as is now taking place is by no means a cause for congratulation; it is a cause rather for serious apprehension.

If it continues, it must speedily be followed by one of the evil results so clearly set forth in the report of the Secretary.

Either the surplus must lie idle in the Treasury, or the government will be forced to buy, at market rates, its bonds not then redeemable, and which, under such circumstances, cannot fail to command an enormous premium, or the swollen revenues will be devoted to extravagant

expenditure, which, as experience has taught, is ever the bane of an overflowing treasury.

It was made apparent in the course of the animated discussions which this question aroused at the last session of Congress that the policy of diminishing the revenue by reducing taxation commanded the general approval of the members of both houses.

I regret that because of conflicting views as to the best methods by which that policy should be made operative none of its benefits have as yet been reaped.

In fulfillment of what I deem my constitutional duty, but with little hope that I can make valuable contribution to this vexed question, I shall proceed to intimate briefly my own views in relation to it.

Upon the showing of our financial condition at the close of the last fiscal year, I felt justified in recommending to Congress the abolition of all internal-revenue taxes except those upon tobacco in its various forms and upon distilled spirits and fermented liquors; and except also the special tax upon the manufacturers of and dealers in such articles.

I venture now to suggest that, unless it shall be ascertained that the probable expenditures of the government for the coming year have been underestimated, all internal taxes, save those which relate to distilled spirits, can be prudently abrogated.

Such a course, if accompanied by a simplification of the machinery of collection, which would then be easy of accomplishment, might reasonably be expected to result in diminishing the cost of such collection by at least two millions and a half of dollars, and in the retirement from office of from fifteen hundred to two thousand persons.

The system of excise duties has never commended itself to the favor of the American people, and has never been resorted to except for supplying deficiencies in the Treasury when, by reason of special exigencies, the duties on imports have proved inadequate for the needs of the government. The sentiment of the country doubtless demands that the present excise tax shall be abolished as soon as such a course can be safely pursued.

It seems to me, however, that, for various reasons, so sweeping a measure as the total abolition of internal taxes would for the present be an unwise step.

Two of these reasons are deserving of special mention:

First, it is by no means clear that even if the existing system of duties on imports is continued without modification, those duties alone will yield sufficient revenue for all the needs of the government. It is estimated that one hundred millions of dollars will be required for pensions during the coming year, and it may well be doubted whether the maximum annual demand for that object has yet been reached. Uncertainty upon this question would alone justify, in my judgment, the retention for the present of that portion of the system of internal revenue which is least objectionable to the people.

Second, a total abolition of excise taxes would almost inevitably prove a serious if not an insurmountable obstacle to a thorough revision of the tariff and to any considerable reduction in import duties.

The present tariff system is in many respects unjust. It makes unequal distributions both of its burdens and its benefits. This fact was practically recognized by a majority of each house of Congress in the passage of the act creating the Tariff Commission. The report of that commission will be placed before you at the beginning of this session, and will, I trust, afford you such information as to the condition and prospects of the various commercial, agricultural, manufacturing, mining, and other interests of the country and contain such suggestions for statutory revision as will practically aid your action upon this important subject.

The revenue from customs for the fiscal year ended June 30, 1879, amounted to \$137,000,000.

It has in the three succeeding years reached, first, \$186,000,000; then, \$198,000,000; and finally, as has been already stated, \$220,000,000.

The income from this source for the fiscal year which will end on June 30, 1883, will doubtless be considerably in excess of the sum last mentioned.

If the tax on domestic spirits is to be retained, it is plain therefore that large reductions from the customs revenue are entirely feasible. While recommending this reduction I am far from advising the abandonment of the policy of so discriminating in the adjustment of details as to afford aid and protection to domestic labor. But the present system should be so revised as to equalize the public burden among all classes and occupations, and bring it into closer harmony with the present needs of industry.

Without entering into minute detail, which, under present circumstances, is quite unnecessary, I recommend an enlargement of the free list so as to include within it the numerous articles which yield inconsiderable revenue, a simplification of the complex and inconsistent schedule of duties upon certain manufactures, particularly those of cotton, iron, and steel, and a substantial reduction of the duties upon those articles, and upon sugar, molasses, silk, wool, and woollen goods.

If a general revision of the tariff shall be found to be impracticable at this session, I express the hope that at least some of the more conspicuous inequalities of the present law may be corrected before your final adjournment. One of them is specially referred to by the Secretary. In view of a recent decision of the Supreme Court, the necessity of amending the law by which the Dutch standard of color is adopted as the test of the saccharine strength of sugars is too obvious to require comment.

From the report of the Secretary of War it appears that the only outbreaks of Indians during the past year occurred in Arizona and in

the southwestern part of New Mexico. They were promptly quelled and the quiet which has prevailed in all other parts of the country has permitted such an addition to be made to the military force in the region endangered by the Apaches that there is little reason to apprehend trouble in the future.

Those parts of the Secretary's report which relate to our sea coast defences and their armament suggest the gravest reflections. Our existing fortifications are notoriously inadequate to the defense of the great harbors and cities for whose protection they were built.

The question of providing an armament suited to our present necessities has been the subject of consideration by a Board, whose report was transmitted to Congress at the last session. Pending the consideration of that report, the War Department has taken no steps for the manufacture or conversion of any heavy cannon, but the Secretary expresses the hope that authority and means to begin that important work will be soon provided. I invite the attention of Congress to the propriety of making more adequate provision for arming and equipping the militia than is afforded by the act of 1808, which is still upon the statute-book. The matter has already been the subject of discussion in the Senate, and a bill which seeks to supply the deficiencies of existing laws is now upon its calendar.

The Secretary of War calls attention to an embarrassment growing out of the recent act of Congress making the retirement of officers of the army compulsory at the age of sixty-four. The act of 1878 is still in force, which limits to four hundred the number of those who can be retired for disability or upon their own application. The two acts, when construed together, seem to forbid the relieving, even for absolute incapacity, of officers who do not fall within the purview of the later statute, save at such times as there chance to be less than four hundred names on the retired list. There are now four hundred and twenty. It is not likely that Congress intended this result, and I concur with the Secretary, that the law ought to be amended.

The grounds that impelled me to withhold my signature from the bill entitled "An act making appropriations for the construction, repair, and preservation of certain works on rivers and harbors," which became a law near the close of your last session, prompt me to express the hope that no similar measure will be deemed necessary during the present session of Congress. Indeed, such a measure would now be open to a serious objection in addition to that which was lately urged upon your attention. I am informed by the Secretary of War that the greater portion of the sum appropriated for the various items specified in that act remains unexpended.

Of the new works which it authorized, expenses have been incurred upon two only, for which the total appropriation was \$240,000. The present available balance is disclosed by the following table:

Amount of appropriation by act of August 2, 1882.	\$18, 738, 875
Amount of appropriation by act of June 19, 1882	19, 000
Amount of appropriation for payments to J. B. Eads.....	394, 000
Unexpended balance of former appropriations	4, 738, 263
	<hr/>
	23, 791, 138
Less amount drawn from Treasury between July 1, 1882, and November 30, 1882.....	6, 056, 194
	<hr/>
	\$17, 734, 944

It is apparent by this exhibit, that so far as concerns most of the items to which the act of August 2, 1882, relates, there can be no need of further appropriations until after the close of the present session. If, however, any action should seem to be necessary in respect to particular objects, it will be entirely feasible to provide for those objects by appropriate legislation. It is possible, for example, that a delay until the assembling of the next Congress to make additional provision for the Mississippi River improvements might be attended with serious consequences. If such should appear to be the case, a just bill relating to that subject would command my approval.

This leads me to offer a suggestion which I trust will commend itself to the wisdom of Congress. Is it not advisable that grants of considerable sums of money for diverse and independent schemes of internal improvement should be made the subjects of separate and distinct legislative enactments? It will scarcely be gainsaid, even by those who favor the most liberal expenditures for such purposes as are sought to be accomplished by what is commonly called the river and harbor bill, that the practice of grouping in such a bill appropriations for a great diversity of objects, widely separated, either in their nature or in the locality with which they are concerned, or in both, is one which is much to be deprecated unless it is irremediable. It inevitably tends to secure the success of the bill as a whole, though many of the items, if separately considered, could scarcely fail of rejection. By the adoption of the course I have recommended, every member of Congress, whenever opportunity should arise for giving his influence and vote for meritorious appropriations, would be enabled so to do without being called upon to sanction others underserving his approval. So also would the Executive be afforded thereby full opportunity to exercise his constitutional prerogative of opposing whatever appropriations seemed to him objectionable, without imperiling the success of others which commended themselves to his judgment.

It may be urged in opposition to these suggestions that the number of works of internal improvement which are justly entitled to governmental aid is so great as to render impracticable separate appropriation bills therefor, or even for such comparatively limited number as make disposition of large sums of money. This objection may be well founded, and, whether it be or not, the advantages which would be likely to ensue

from the adoption of the course I have recommended may perhaps be more effectually attained by another, which I respectfully submit to Congress as an alternative proposition.

It is provided by the constitutions of fourteen of our States that the Executive may disapprove any item or items of a bill appropriating money; whereupon the part of the bill approved shall be law, and the part disapproved shall fail to become law, unless repassed according to the provisions prescribed for the passage of bills over the veto of the Executive. The States wherein some such provision as the foregoing is a part of the fundamental law are, Alabama, California, Colorado, Florida, Georgia, Louisiana, Minnesota, Missouri, Nebraska, New Jersey, New York, Pennsylvania, Texas, and West Virginia. I commend to your careful consideration the question whether an amendment of the Federal Constitution in the particular indicated would not afford the best remedy for what is often a grave embarrassment both to members of Congress and to the Executive, and is sometimes a serious public mischief.

The report of the Secretary of the Navy states the movements of the various squadrons during the year, in home and foreign waters, where our officers and seamen, with such ships as we possess, have continued to illustrate the high character and excellent discipline of the naval organization.

On the 21st of December, 1881, information was received that the exploring steamer *Jeannette* had been crushed and abandoned in the Arctic Ocean. The officers and crew, after a journey over the ice, embarked in three boats for the coast of Siberia. One of the parties, under the command of Chief Engineer George W. Melville, reached the land, and, falling in with the natives, was saved. Another, under Lieutenant-Commander De Long, landed in a barren region near the mouth of the Lena River. After six weeks had elapsed all but two of the number had died from fatigue and starvation. No tidings have been received from the party in the third boat, under the command of Lieutenant Chipp, but a long and fruitless investigation leaves little doubt that all its members perished at sea. As a slight tribute to their heroism I give in this communication the names of the gallant men who sacrificed their lives on this expedition: Lieutenant-Commander George W. De Long, Surgeon James M. Ambler, Jerome J. Collins, Hans Halmer Erichsen, Heinrich H. Kaacke, George W. Boyd, Walter Lee, Adolph Dressler, Carl A. Görtz, Nelse Iverson, the cook Ah Sam, and the Indian Alexy. The officers and men in the missing boat were Lieut. Charles W. Chipp, commanding; William Dunbar, Alfred Sweetman, Walter Sharvell, Albert C. Kuchne, Edward Star, Henry D. Warren, and Peter E. Johnson.

Lieut. Giles B. Harber and Master William H. Scheutze are now bringing home the remains of Lieutenant De Long and his comrades, in pursuance of the directions of Congress.

The Rodgers, fitted out for the relief of the Jeannette, in accordance with the act of Congress of March 3, 1881, sailed from San Francisco June 16, under the command of Lieut. Robert M. Berry. On November 30 she was accidentally destroyed by fire, while in winter quarters in St. Lawrence Bay, but the officers and crew succeeded in escaping to the shore. Lieutenant Berry and one of his officers, after making a search for the Jeannette along the coast of Siberia, fell in with Chief Engineer Melville's party, and returned home by way of Europe. The other officers and the crew of the Rodgers were brought from St. Lawrence Bay by the whaling steamer North Star. Master Charles F. Putnam, who had been placed in charge of a depot of supplies at Cape Serdze, returning to his post from St. Lawrence Bay across the ice in a blinding snow-storm, was carried out to sea and lost, notwithstanding all efforts to rescue him.

It appears by the Secretary's report that the available naval force of the United States consists of thirty-seven cruisers, fourteen single-turreted monitors, built during the rebellion, a large number of smooth-bore guns and Parrott rifles, and eighty-seven rifled cannon.

The cruising vessels should be gradually replaced by iron or steel ships, the monitors by modern armored vessels, and the armament by high-power rifled guns.

The reconstruction of our Navy, which was recommended in my last message, was begun by Congress authorizing, in its recent act, the construction of two large unarmored steel vessels of the character recommended by the late Naval Advisory Board, and subject to the final approval of a new advisory board to be organized as provided by that Act. I call your attention to the recommendation of the Secretary and the Board, that authority be given to construct two more cruisers of smaller dimensions, and one fleet dispatch vessel, and that appropriations be made for high-power rifled cannon, for the torpedo service, and for other harbor defenses.

Pending the consideration by Congress of the policy to be hereafter adopted in conducting the eight large navy-yards and their expensive establishments, the Secretary advocates the reduction of expenditures therefor to the lowest possible amounts.

For the purpose of affording the officers and seamen of the Navy opportunities for exercise and discipline in their profession, under appropriate control and direction, the Secretary advises that the Light-House Service and Coast Survey be transferred, as now organized, from the Treasury to the Navy Department; and he also suggests, for the reasons which he assigns, that a similar transfer may wisely be made of the cruising revenue vessels.

The Secretary forcibly depicts the intimate connection and interdependence of the Navy and the commercial marine, and invites attention to the continued decadence of the latter and the corresponding transfer of our growing commerce to foreign bottoms.

This subject is one of the utmost importance to the national welfare. Methods of reviving American ship-building and of restoring the United States flag in the ocean carrying trade should receive the immediate attention of Congress. We have mechanical skill and abundant material for the manufacture of modern iron steamships in fair competition with our commercial rivals. Our disadvantage in building ships is the greater cost of labor, and in sailing them, higher taxes and greater interest on capital, while the ocean highways are already monopolized by our formidable competitors. These obstacles should in some way be overcome, and for our rapid communication with foreign lands we should not continue to depend wholly upon vessels built in the yards of other countries and sailing under foreign flags. With no United States steamers on the principal ocean lines or in any foreign ports, our facilities for extending our commerce are greatly restricted, while the nations which build and sail the ships and carry the mails and passengers obtain thereby conspicuous advantages in increasing their trade.

The report of the Postmaster-General gives evidence of the satisfactory condition of that Department, and contains many valuable data and accompanying suggestions which cannot fail to be of interest.

The information which it affords that the receipts for the fiscal year have exceeded the expenditures must be very gratifying to Congress and to the people of the country.

As matters which may fairly claim particular attention, I refer you to his observations in reference to the advisability of changing the present basis for fixing salaries and allowances, of extending the money-order system, and of enlarging the functions of the postal establishment so as to put under its control the telegraph system of the country, though from this last and most important recommendation I must withhold my concurrence.

At the last session of Congress several bills were introduced into the House of Representatives for the reduction of letter postage to the rate of two cents per half ounce.

I have given much study and reflection to this subject, and am thoroughly persuaded that such a reduction would be for the best interests of the public.

It has been the policy of the government from its foundation to defray, as far as possible, the expenses of carrying the mails by a direct tax in the form of postage. It has never been claimed, however, that this service ought to be productive of a net revenue.

As has been stated already, the report of the Postmaster-General shows that there is now a very considerable surplus in his department, and that henceforth the receipts are likely to increase at a much greater ratio than the necessary expenditures. Unless some change is made in the existing laws the profits of the postal service will in a very few years swell the revenues of the government many millions of dollars.

The time seems auspicious, therefore, for some reduction in the rates of postage. In what shall that reduction consist?

A review of the legislation which has been had upon this subject during the last thirty years discloses that domestic letters constitute the only class of mail matter which has never been favored by a substantial reduction of rates. I am convinced that the burden of maintaining the service falls most unequally upon that class, and that more than any other it is entitled to present relief.

That such relief may be extended without detriment to other public interests will be discovered upon reviewing the results of former reductions.

Immediately prior to the act of 1845, the postage upon a letter composed of a single sheet was as follows:

	Cents.
If conveyed—	
30 miles or less	6
Between 30 and 80 miles	10
Between 80 and 150 miles	12½
Between 150 and 400 miles	18¾
Over 400 miles	25

By the act of 1845 the postage upon a single letter conveyed for any distance under 300 miles was fixed at five cents, and for any greater distance at ten cents.

By the act of 1851 it was provided that a single letter, if prepaid, should be carried any distance not exceeding three thousand miles for three cents and any greater distance for six cents.

It will be noticed that both of these reductions were of a radical character and relatively quite as important as that which is now proposed.

In each case there ensued a temporary loss of revenue, but a sudden and large influx of business, which substantially repaired that loss within three years.

Unless the experience of past legislation in this country and elsewhere goes for naught it may be safely predicted that the stimulus of 33½ per centum reduction in the tax for carriage would at once increase the number of letters consigned to the mails.

The advantages of secrecy would lead to a very general substitution of sealed packets for postal cards and open circulars, and in divers other ways the volume of first-class matter would be enormously augmented. Such increase amounted in England, in the first year after the adoption of penny postage, to more than 125 per cent.

As a result of careful estimates, the details of which cannot be here set out, I have become convinced that the deficiency for the first year after the proposed reduction would not exceed 7 per cent. of the expenditures, or \$3,000,000, while the deficiency after the reduction of 1845 was more than 14 per cent., and after that of 1851 was 27 per cent.

Another interesting comparison is afforded by statistics furnished me by the Post-Office Department.

The act of 1845 was passed in face of the fact that there existed a deficiency of more than \$30,000. That of 1851 was encouraged by the slight surplus of \$132,000. The excess of revenue in the next fiscal year is likely to be \$3,500,000.

If Congress should approve these suggestions it may be deemed desirable to supply to some extent the deficiency which must for a time result, by increasing the charge for carrying merchandise, which is now only sixteen cents per pound. But even without such an increase I am confident that the receipts under the diminished rates would equal the expenditures after the lapse of three or four years.

The report of the Department of Justice brings anew to your notice the necessity of enlarging the present system of Federal jurisprudence so as effectually to answer the requirements of the ever-increasing litigation with which it is called upon to deal.

The Attorney-General renews the suggestions of his predecessor that in the interests of justice better provision than the existing laws afford should be made in certain judicial districts for fixing the fees of witnesses and jurors.

In my message of December last I referred to pending criminal proceedings growing out of alleged frauds in what is known as the Star-Route service of the Post-Office Department, and advised you that I had enjoined upon the Attorney-General and associate counsel, to whom the interests of the government were intrusted, the duty of prosecuting with the utmost vigor of the law all persons who might be found chargeable with those offenses. A trial of one of these cases has since occurred. It occupied for many weeks the attention of the Supreme Court of this District, and was conducted with great zeal and ability. It resulted in a disagreement of the jury, but the cause has been again placed upon the calendar and will shortly be re-tried. If any-guilty persons shall finally escape punishment for their offenses it will not be for lack of diligent and earnest efforts on the part of the prosecution.

I trust that some agreement may be reached which will speedily enable Congress, with the concurrence of the Executive, to afford the commercial community the benefits of a national bankrupt law.

The report of the Secretary of the Interior, with its accompanying documents, presents a full statement of the varied operations of that department. In respect to Indian affairs nothing has occurred which has changed or seriously modified the views to which I devoted much space in a former communication to Congress. I renew the recommendations therein contained as to extending to the Indian the protection of the law, allotting land in severalty to such as desire it, and making suitable provision for the education of youth. Such provision, as the Secretary forcibly maintains, will prove unavailing unless it is broad enough to include all those who are able and willing to make use of it, and should not solely relate to intellectual training, but also to in-

struction in such manual labor and simple industrial arts as can be made practically available.

Among other important subjects which are included within the Secretary's report, and which will doubtless furnish occasion for Congressional action, may be mentioned the neglect of the railroad companies to which large grants of land were made by the acts of 1862 and 1864, to take title thereto, and their consequent inequitable exemption from local taxation.

*No survey of our material condition can fail to suggest inquiries as to the moral and intellectual progress of the people.

The Census returns disclose an alarming state of illiteracy in certain portions of the country where the provision for schools is grossly inadequate. It is a momentous question for the decision of Congress whether immediate and substantial aid should not be extended by the general government for supplementing the efforts of private beneficence and of State and Territorial legislation in behalf of education.

The regulation of inter-state commerce has already been the subject of your deliberations. One of the incidents of the marvelous extension of the railway system of the country has been the adoption of such measures by the corporations which own or control the roads as has tended to impair the advantages of healthful competition and to make hurtful discriminations in the adjustment of freightage.

These inequalities have been corrected in several of the States by appropriate legislation, the effect of which is necessarily restricted to the limits of their own territory.

So far as such mischiefs affect commerce between the States, or between any one of the States and a foreign country, they are subjects of national concern, and Congress alone can afford relief.

The results which have thus far attended the enforcement of the recent statute for the suppression of polygamy in the Territories are reported by the Secretary of the Interior. It is not probable that any additional legislation in this regard will be deemed desirable until the effect of existing laws shall be more closely observed and studied.

I congratulate you that the commissioners, under whose supervision those laws have been put in operation, are encouraged to believe that the evil at which they are aimed may be suppressed without resort to such radical measures as in some quarters have been thought indispensable for success.

The close relation of the general government to the Territories preparing to be great States may well engage your special attention. It is there that the Indian disturbances mainly occur and that polygamy has found room for its growth. I cannot doubt that a careful survey of Territorial legislation would be of the highest utility. Life and property would become more secure. The hostility of mutual suspicion between Indians and whites would be lessened. The public domain will

be more securely guarded and better progress be made in the instruction of the young.

Alaska is still without any form of civil government. If means were provided for the education of its people and for the protection of their lives and property the immense resources of the region would invite permanent settlements and open new fields for industry and enterprise.

The report of the Commissioner of Agriculture presents an account of the labors of that department during the past year, and includes information of much interest to the general public.

The condition of the forests of the country and the wasteful manner in which their destruction is taking place, give cause for serious apprehension. Their action in protecting the earth's surface, in modifying the extremes of climate, and in regulating and sustaining the flow of springs and streams is now well understood, and their importance in relation to the growth and prosperity of the country cannot be safely disregarded. They are fast disappearing before destructive fires and the legitimate requirements of our increasing population, and their total extinction cannot be long delayed unless better methods than now prevail shall be adopted for their protection and cultivation. The attention of Congress is invited to the necessity of additional legislation to secure the preservation of the valuable forests still remaining on the public domain, especially in the extreme Western States and Territories, where the necessity for their preservation is greater than in less mountainous regions, and where the prevailing dryness of the climate renders their restoration, if they are once destroyed, well nigh impossible.

The communication which I made to Congress at its first session in December last contained a somewhat full statement of my sentiments in relation to the principles and rules which ought to govern appointments to public service.

Referring to the various plans which had theretofore been the subject of discussion in the National Legislature (plans which in the main were modeled upon the system which obtains in Great Britain, but which lacked certain of the prominent features whereby that system is distinguished), I felt bound to intimate my doubts whether they, or any of them, would afford adequate remedy for the evils which they aimed to correct.

I declared, nevertheless, that if the proposed measures should prove acceptable to Congress, they would receive the unhesitating support of the Executive.

Since these suggestions were submitted for your consideration there has been no legislation upon the subject to which they relate, but there has meanwhile been an increase in the public interest in that subject, and the people of the country, apparently without distinction of party, have in various ways, and upon frequent occasions, given expression to their earnest wish for prompt and definite action. In my judgment, such action should no longer be postponed. -

I may add that my own sense of its pressing importance has been quickened by observation of a practical phase of the matter, to which attention has more than once been called by my predecessors.

The civil list now comprises about one hundred thousand persons, far the larger part of whom must, under the terms of the Constitution, be selected by the President either directly or through his own appointees.

In the early years of the administration of the government, the personal direction of appointments to the civil service may not have been an irksome task for the Executive; but now, that the burden has increased fully a hundred-fold, it has become greater than he ought to bear, and it necessarily diverts his time and attention from the proper discharge of other duties no less delicate and responsible, and which, in the very nature of things, cannot be delegated to other hands.

In the judgment of not a few who have given study and reflection to this matter, the nation has outgrown the provisions which the Constitution has established for filling the minor offices in the public service.

But whatever may be thought of the wisdom or expediency of changing the fundamental law in this regard, it is certain that much relief may be afforded, not only to the President and to the heads of the departments, but to Senators and Representatives in Congress, by discreet legislation. They would be protected in a great measure by the bill now pending before the Senate, or by any other which should embody its important features, from the pressure of personal importunity and from the labor of examining conflicting claims and pretensions of candidates.

I trust that before the close of the present session some decisive action may be taken for the correction of the evils which inhere in the present methods of appointment, and I assure you of my hearty co-operation in any measures which are likely to conduce to that end.

As to the most appropriate term and tenure of the official life of the subordinate employes of the government, it seems to be generally agreed that whatever their extent or character, the one should be definite and the other stable, and that neither should be regulated by zeal in the service of party or fidelity to the fortunes of an individual.

It matters little to the people at large what competent person is at the head of this department or of that bureau, if they feel assured that the removal of one and the accession of another will not involve the retirement of honest and faithful subordinates, whose duties are purely administrative and have no legitimate connection with the triumph of any political principles or the success of any political party or faction. It is to this latter class of officers that the Senate bill, to which I have already referred, exclusively applies.

While neither that bill nor any other prominent scheme for improving the civil service concerns the higher grade of officials, who are

appointed by the President and confirmed by the Senate, I feel bound to correct a prevalent misapprehension as to the frequency with which the present Executive has displaced the incumbent of an office and appointed another in his stead.

It has been repeatedly alleged that he has in this particular signally departed from the course which has been pursued under recent administrations of the government. The facts are as follows:

The whole number of Executive appointments during the four years immediately preceding Mr. Garfield's accession to the Presidency was 2,696.

Of this number 244, or 9 per cent., involved the removal of previous incumbents.

The ratio of removals to the whole number of appointments was much the same during each of those four years.

In the first year, with 790 appointments, there were 74 removals, or 9.3 per cent.; in the second, with 917 appointments, there were 85 removals, or 8.5 per cent.; in the third, with 480 appointments, there were 48 removals, or 10 per cent.; in the fourth, with 429 appointments, there were 37 removals, or 8.6 per cent. In the four months of President Garfield's administration there were 390 appointments and 89 removals, or 22.7 per cent. Precisely the same number of removals (89) has taken place in the fourteen months which have since elapsed, but they constitute only 7.8 per cent. of the whole number of appointments (1,118) within that period, and less than 2.6 of the entire list of officials (3,459 (exclusive of the Army and Navy)) which is filled by Presidential appointment.

I declare my approval of such legislation as may be found necessary for supplementing the existing provisions of law in relation to political assessments.

In July last I authorized a public announcement that employes of the government should regard themselves as at liberty to exercise their pleasure in making or refusing to make political contributions, and that their action in that regard would in no manner affect their official status.

In this announcement I acted upon the view which I had always maintained and still maintain, that a public officer should be as absolutely free as any other citizen to give or to withhold a contribution for the aid of the political party of his choice. It has, however, been urged, and doubtless not without foundation in fact, that by solicitation of official superiors and by other modes, such contributions have at times been obtained from persons whose only motive for giving has been the fear of what might befall them if they refused. It goes without saying that such contributions are not voluntary, and in my judgment their collection should be prohibited by law. A bill which will effectually suppress them will receive my cordial approval.

I hope that however numerous and urgent may be the demands upon your attention, the interests of this District will not be forgotten.

The denial to its residents of the great right of suffrage in all its relation to national, State, and municipal action imposes upon Congress the duty of affording them the best administration which its wisdom can devise.

The report of the District Commissioners indicates certain measures whose adoption would seem to be very desirable. I instance in particular those which relate to arrears of taxes, to steam railroads, and to assessments of real property.

Among the questions which have been the topic of recent debate in the halls of Congress none are of greater gravity than those relating to the ascertainment of the vote for Presidential electors and the intendment of the Constitution in its provisions for devolving Executive functions upon the Vice-President when the President suffers from inability to discharge the powers and duties of his office.

I trust that no embarrassments may result from a failure to determine these questions before another national election.

The closing year has been replete with blessings for which we owe to the Giver of all Good our reverent acknowledgment. For the uninterrupted harmony of our foreign relations, for the decay of sectional animosities, for the exuberance of our harvests and the triumphs of our mining and manufacturing industries, for the prevalence of health, the spread of intelligence and the conservation of the public credit, for the growth of the country in all the elements of national greatness—for these and countless other blessings—we should rejoice and be glad. I trust that, under the inspiration of this great prosperity, our counsels may be harmonious, and that the dictates of prudence, patriotism, justice, and economy may lead to the adoption of measures in which the Congress and the Executive may heartily unite.

CHESTER A. ARTHUR.

WASHINGTON,

December 4, 1882.

REPORT

OF

THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
Washington, D. C., December 4, 1882.

SIR: I have the honor to submit the following report:

The ordinary revenues from all sources for the fiscal year ended June 30, 1882, were:

From customs.....	\$220,410,730 25
From internal revenue.....	146,497,595 45
From sales of public lands.....	4,753,140 37
From tax on circulation and deposits of national banks.....	8,956,794 45
From repayment of interest by Pacific Railway Companies.....	840,554 37
From sinking-fund for Pacific Railway Companies..	796,271 42
From customs fees, fines, penalties, &c.....	1,343,348 00
From fees—consular, letters-patent, and lands.....	2,658,000 97
From proceeds of sales of Government property....	314,950 85
Paid in from profits on coinage, bullion deposits, and assays.....	4,116,693 73
From Indian trust funds.....	5,705,243 22
From deposits by individuals for surveying public lands.....	2,052,306 36
From revenues of the District of Columbia.....	1,715,176 41
From miscellaneous sources.....	3,383,445 43
Total ordinary receipts.....	403,525,250 28

The ordinary expenditures for the same period were—

For civil expenses.....	\$18,042,386 42
For foreign intercourse.....	1,307,583 19
For Indians.....	9,736,747 40
For pensions.....	61,345,193 95
For the military establishment, including river and harbor improvements, and arsenals.....	43,570,494 19
For the naval establishment, including vessels, machinery, and improvements at navy yards.....	15,032,046 26
For miscellaneous expenditures, including public buildings, light-houses, and collecting the revenue..	34,633,237 53
For expenditures on account of the District of Columbia.....	3,330,543 87
For interest on the public debt.....	71,077,206 79
Total ordinary expenditures.....	257,981,439 57

Leaving a surplus revenue of.....	\$145,543,810 71
Which, with an amount drawn from the cash balance in the Treasury, of.....	20,737,694 84
Making.....	166,281,505 55
Was applied to the redemption—	
Of bonds for the sinking-fund.....	60,079,150 00
Of fractional currency for the sinking-fund.....	58,705 55
Of loan of July and August, 1861.....	62,572,050 00
Of loan of March, 1863.....	4,472,900 00
Of funded loan of 1881.....	37,194,450 00
Of loan of 1858.....	1,000 00
Of loan of February, 1861.....	303,000 00
Of five-twenties of 1862.....	2,100 00
Of five-twenties of 1864.....	7,400 00
Of five-twenties of 1865.....	6,500 00
Of ten-forties of 1864.....	254,550 00
Of consols of 1865.....	86,450 00
Of consols of 1867.....	408,250 00
Of consols of 1868.....	141,400 00
Of Oregon-war debt.....	675,250 00
Of old demand, compound-interest, and other notes.....	18,350 00
	166,281,505 55

The requirements of the sinking-fund for the past fiscal year, including a balance of \$16,305,873.47 from the preceding year, have been fully met. It is estimated that the requirement for the present fiscal year will be \$41,422,956.25, of which there has been applied during the first four months of the year, the sum of \$31,196,350.

There seems to have been confusion in some minds, of the sums paid to meet the lawful needs of the sinking-fund, and those paid for the reduction of public debt by direct payment and redemption thereof. To my report of last year was appended a table (Table L) of all the moneys paid for bonds for the sinking-fund; and a table (Table I) showing the condition of that fund from the beginning of it in May, 1869, down to June 30, 1881. It was stated in my report that there was a balance then due the fund of \$16,305,873.47. It has been said that this was erroneous. The report of my predecessor, Mr. Secretary Morrill, made in 1876, was relied upon as so showing. He said that the terms of the sinking-fund act required that the public debt should be reduced by the close of the fiscal year in 1876 by the sum of \$433,848,215.87; that the public debt had, however, been reduced at that time by the sum of \$656,992,226.14, or over two hundred and twenty-three millions more than those terms required. He did not say, nor did he mean to say, that the reduction he announced was achieved through the operations of the sinking-fund. What he said, and meant

to say, was that, though the sinking-fund had not been filled to the amount contemplated by the act of Congress which provided for it, and so the letter of the law had not been observed, yet that, by other modes, the public debt had been reduced by more than the sum which the sinking-fund act contemplated, and so the spirit and intent of the law had been met and the faith of the Government with its creditors kept. And so, after his time, though the sinking-fund has been a creditor, the public debt has been decreased by more than a strict adherence to the sinking-fund act would have brought about. My predecessor, Mr. Secretary Sherman, reported in 1877 a deficiency in the sinking-fund, but a reduction of public debt near two hundred and twenty-one millions more than the sinking-fund act, literally carried out, would have effected.

Compared with the previous fiscal year, the receipts for 1882 have in the following items increased \$44,578,081.99: In customs revenue, \$22,251,054.23; in internal revenue, \$11,233,209.91; in sales of public lands, \$2,551,277.20; in direct tax, \$158,624.80; in tax on circulation and deposits of national banks, \$840,678.73; in proceeds of sales of Government property, \$52,785.85; in repayment of interest by Pacific Railway Companies, \$29,720.57; in consular fees, \$5,922.98; in custom-house fees, \$7,538.35; in customs emolument fees, \$155,083.98; in marine-hospital tax, \$22,155.89; in Indian trust funds, interest and premium, \$5,753,308.29; in deposits by individuals for surveying public lands, \$248,160.81; in registers' and receivers' fees, \$243,295.29; in fees on letters-patent, \$141,788.72; in profits on coinage, \$648,298.12; and in sales of ordnance material and small stores, \$232,268.24. There was a decrease of \$1,835,124.28, as follows: In revenues of the District of Columbia, \$301,022.82; in sinking-fund for Pacific Railway Companies, \$8,909.12; in customs fines, penalties, and forfeitures, \$44,789.19; in steamboat fees, \$27,664.91; in sales of Indian lands, and interest on deferred payments, \$1,078,316.30; and in miscellaneous items, \$374,421.94; making a net increase in the receipts from all sources of \$42,742,957.71.

The expenditures show a decrease over the previous year of \$20,343,982.30, as follows: In the Navy Department, \$654,625.40; in interest on the public debt, \$11,431,534.39; and in civil and miscellaneous, \$8,257,822.51. There was an increase of \$17,612,554.28, as follows: In the War Department, \$3,104,033.64; for Indians, \$3,222,566.31; and in pensions, \$11,285,914.33—making a net decrease in the expenditures of \$2,731,448.02.

FISCAL YEAR 1883.

For the present fiscal year the revenue, actual and estimated, is as follows:

Source.	For the quarter ended September 30, 1882.	For the remain- ing three quar- ters of the year.
	Actual.	Estimated.
From customs.....	\$64,908,875 71	\$170,091,124 29
From internal revenue.....	37,760,804 58	107,239,195 42
From sales of public lands.....	1,185,622 97	4,314,377 03
From tax on circulation and deposits of national banks.....	4,492,426 39	4,507,573 61
From repayment of interest and sinking-fund, Pacific Railway Companies.....	114,619 55	1,635,380 45
From customs fees, fines, penalties, &c.....	422,140 09	977,859 91
From fees—consular, letters-patent, and lands....	822,842 49	1,827,157 51
From proceeds of sales of Government property..	113,995 95	886,004 05
From profits on coinage, &c.....	1,040,119 39	3,159,880 61
From deposits for surveying public lands.....	894,128 04	1,505,871 96
From revenues of the District of Columbia.....	194,314 88	1,535,685 12
From miscellaneous sources.....	840,717 28	4,529,282 72
Total receipts.....	112,790,607 32	302,209,392 68

The expenditures for the same period, actual and estimated, are—

Object.	For the quarter ended September 30, 1882.	For the remain- ing three quar- ters of the year.
	Actual.	Estimated.
For civil and miscellaneous expenses, including public buildings, light-houses, and collecting the revenue.....	\$16,224,736 16	\$45,275,263 84
For Indians.....	2,633,778 88	4,866,221 12
For pensions.....	23,397,244 51	76,602,755 49
For military establishment, including fortifica- tions, river and harbor improvements, and arsenals.....	14,181,028 69	33,318,971 31
For naval establishment, including vessels and machinery, and improvements at navy-yards....	3,571,431 83	11,928,568 17
For expenditures on account of the District of Columbia.....	1,415,882 20	2,084,117 80
For interest on the public debt.....	17,219,246 19	42,280,753 81
Total ordinary expenditures.....	78,643,348 46	216,356,651 54

Total receipts, actual and estimated \$415,000,000 00

Total expenditures, actual and estimated 295,000,000 00

Estimated amount due the sinking-fund..... 120,000,000 00
44,424,956 25

Leaving a balance of..... 75,577,043 75

FISCAL YEAR 1884.

The revenues of the fiscal year ending June 30, 1884, estimated upon the basis of existing laws, will be—

From customs.....	\$235,000,000
From internal revenue.....	115,000,000
From sales of public lands.....	5,500,000
From tax on circulation and deposits of national banks.....	9,000,000
From repayment of interest and sinking-fund, Pacific Railway Companies.....	1,750,000
From customs fees, fines, penalties, &c.....	1,400,000
From fees—consular, letters-patent, and lands.....	2,650,000
From proceeds of sales of Government property.....	1,000,000
From profits on coinage, &c.....	4,200,000
From deposits for surveying public lands.....	2,400,000
From revenues of the District of Columbia.....	1,730,000
From miscellaneous sources.....	5,370,000
Total estimated ordinary receipts.....	415,000,000

The estimates of expenditures for the same period, received from the several Executive Departments, are as follows:

Legislative.....	\$3,274,049 30
Executive.....	18,668,395 78
Judicial.....	408,300 00
Foreign intercourse.....	1,390,905 00
Military establishment.....	28,901,445 94
Naval establishment.....	23,481,078 54
Indian affairs.....	6,725,731 54
Pensions.....	101,575,000 00
Public works:	
Legislative.....	\$6,500 00
Treasury Department.....	5,317,500 00
War Department.....	4,753,602 64
Navy Department.....	3,855,513 00
Interior Department.....	417,100 00
Department of Agriculture.....	10,500 00
Department of Justice.....	1,000 00
Miscellaneous.....	14,361,715 64
District of Columbia.....	20,925,003 14
Permanent annual appropriations:	
Interest on the public debt.....	\$55,877,410 72
Sinking-fund.....	15,072,222 51
Refunding—customs, internal revenue, lands, &c.....	7,417,100 00
Collecting revenue from customs..	5,500,000 00
Miscellaneous.....	3,151,305 00
Total estimated expenditures, including sinking fund..	117,018,038 26
Or, an estimated surplus of.....	340,280,162 22
	74,719,837 78

Excluding the sinking-fund, the estimated expenditures will be \$295,207,939.68, showing an expected surplus of \$119,792,060.32.

REDEMPTION OF U. S. BONDS.

At the date of the last annual report to Congress, the interest-bearing debt which was redeemable at the pleasure of the Government was as follows:

Acts of July and August, 1861, continued at three and a half per cent.....	*\$113, 926, 350
Act of March 3, 1863, continued at three and a half per cent.....	47, 949, 700
Five per cent. funded loan, continued at three and a half per cent.....	401, 504, 900
Total.....	<u>563, 380, 950</u>

Of the above bonds there have been redeemed during the year ended October 31, 1882, the following:

Loan of July and August, 1861, continued at three and half per cent.....	\$110, 622, 800
Loan of March 3, 1863, continued at three and a half per cent.....	30, 878, 350
Five per cent. funded loan.....	9, 700
Total.....	<u>141, 510, 850</u>

EXCHANGE OF THREE AND A HALF PER CENT. CONTINUED BONDS INTO THREE PER CENT. BONDS.

On July 1, 1882, the interest-bearing debt which was redeemable at the pleasure of the Government, exclusive of \$11,137,050 three and a half per cent. continued bonds of the loan of July and August, 1861, which had been called, and which became due on that day, was as follows:

Act of March 3, 1863, continued at three and a half per cent.....	\$47, 820, 100
Five per cent. funded loan of 1881, at three and a half per cent.....	401, 503, 900
Total.....	<u>449, 324, 000</u>

Included in the above were \$15,000,000 in bonds of the act of March 3, 1863, which had been called to mature August 1, 1882, and the

* Including \$12,035,500 which had been called, but which had not then matured.

amount of bonds available for exchange, as contemplated in legislation then pending, was still further reduced by the call issued July 10, 1882, for \$16,000,000, to mature September 13, 1882.

By the eleventh section of the act approved July 12, 1882, entitled "An act to enable national banking associations to extend their corporate existence, and for other purposes," the Secretary was authorized to receive at the Treasury, bonds of the United States bearing three and a half per cent. interest, and to issue in exchange therefor registered bonds of the United States bearing interest at the rate of three per cent. per annum.

These bonds were to be redeemable at the pleasure of the United States, after all bonds bearing a higher rate of interest, and which were thus redeemable, had been redeemed or called. There is also the important provision that the last of the bonds issued under the act, and the substitutes for them, should be the first called for payment, and that this order of payment should be followed until all should have been paid. Thereby the bonds first issued, and the substitutes for them made on the assignment and transfer of them, were made more desirable, as likely to have a longer time to run. This gave rise to the query, how the order of issue of the "threes" to the holders of the "three and a half's" should be determined. A method was devised by the Department which gave the precedence to diligence in offer of surrender of the three and a half's; and which determined by lot, giving the same chance of priority to all having part in it, who of the equally diligent should have the first privilege in issue. It is believed that justice was done to all. The provision that the substituted bonds should have the same rank with the originals, in the order of call for payment, was at first thought to preclude the holder from a division of one bond of larger denomination into two or more bonds of smaller denomination. To have maintained this, would have inconvenienced the transfer and division of securities among several alike interested in a large bond. But as it was impracticable to divide one bond into two or more and give to the latter the number of the former, and so preserve the right to be deferred in calls for payment, it has been determined to yield to a wish for a division, upon the holder waiving that right in express terms in the instrument of assignment. This puts upon the Register's Office more labor and the greater exercise of care, but, being a convenience to the holder of the bond, they will be cheerfully undertaken.

On the day following the approval of the act, the Secretary issued a circular announcing the readiness of the Department to effect the exchange thus provided for; August 1, 1882, being named as the date

upon which said exchange would begin. Under the provisions of the act the exchanges of the three and a half per cent. continued bonds began on the date named and continued until September 20, upon which date they were temporarily suspended, in order to allow the preparation of the schedules and checks for the dividend due November 1 on the three and a half per cent. bonds which had not been exchanged, as well as upon the new three per cent. bonds which had been issued.

From the beginning of the exchanges until the suspension three and a half per cent. continued bonds were received for exchange into three per cent. bonds as follows:

Act of March 3, 1863, continued at three and a half per cent	\$13, 231, 650
Five per cent. funded loan of 1881, continued at three and a half per cent.....	246, 138, 850

Total.....	259, 370, 500
------------	---------------

and three per cent. bonds were duly issued therefor.

The interest on the surrendered bonds was adjusted to August 1, 1882, and the three per cent. bonds issued in exchange therefor carried interest from that date.

The exchanges were resumed November 1, since which time there have been received \$21,024,250 in three and a half per cent. continued bonds, for which a like amount of three per cent. bonds have been issued; making a total issue to December 1, 1882, of \$280,394,750.

The reduction in the annual interest charge by reason of these exchanges is \$1,401,973.75.

The Department knows no reason why it should not continue to afford every facility for these exchanges so long as three and a half per cent. bonds remain outstanding and uncalled.

The following table shows the changes in the interest-bearing debt during the year:

Loan.	Amount outstanding Nov. 1, 1881.	Redeemed during the year.	Exchanged into 3 per cent. bonds.	Outstanding Nov. 1, 1882.
July and August, 1861, continued at $3\frac{1}{2}$ per ct.	\$113, 926, 350	\$110, 622, 800	.....	\$3, 303, 550
March 3, 1863, continued at $3\frac{1}{2}$ per cent.....	47, 949, 700	30, 878, 350	\$13, 231, 650	3, 839, 700
Five per cent. funded loan continued at $3\frac{1}{2}$ per cent.....	401, 504, 900	9, 700	246, 138, 850	155, 356, 350
	563, 380, 950	141, 510, 850	259, 370, 500	162, 499, 600

Of the bonds above set down as outstanding, those embraced in the loans of July and August, 1861, and March 3, 1863, amounting to \$7,143,250, are called, and have ceased to bear interest: making a total of bonds redeemed during the year or which have ceased to bear interest of \$148,654,100.

Calls are now out for continued bonds of the five per cent. funded loan amounting to \$55,000,000, and the bonds will cease to bear interest during the months of December, 1882, and January and February, 1883.

The reduction in the annual interest charge by reason of these changes to November 1, 1882, is as follows:

On bonds redeemed or interest ceased.....	\$5, 292, 893 50
On bonds exchanged into three per cent. bonds	1, 296, 852 50
Total	6, 499, 746 00
Deduct for interest on four per cent. bonds issued, &c. .	222 00
Net reduction.....	6, 499, 524 00

STANDARD SILVER DOLLARS AND SILVER CERTIFICATES.

There had been coined, on November 1, 1882, under the act of February 28, 1878, of standard silver dollars	\$128, 329, 880
There were in the Treasury at that date.....	92, 946, 094
And in circulation.....	35, 383, 786
There were in circulation, November 1, 1881, about....	34, 000, 000
Increase	1, 383, 786

The increase in the circulation of standard silver dollars between November 1, 1881, and November 1, 1882, was less than a million and a half of dollars. The amount coined during the same time was \$27,772,075. The supply in the aggregate, and furnished yearly, is much more than the demand.

Of the above amount held by the Treasury November 1, 1882, there were in the sub-treasury at New York about \$19,000,000, and in the vaults of the assistant treasurer at San Francisco nearly \$14,000,000, and in the mint at that place nearly \$27,000,000, making nearly \$41,000,000 in San Francisco. This large accumulation at San Francisco is useless; the call for silver dollars for use as money there is little. The reason for the accumulation there is this: The mints this side the mountains could not do the needed coinage of gold, and coin also the minimum amount of silver dollars required by the law. After

the silver dollars had been coined there, there was not good policy in bringing them away, for there was no unsatisfied call for them on this coast, and the expense of carriage is great, never less than one per cent. Besides that, the vaults on this side are inconveniently taxed in the storage of what is here. Indeed, the storage capacity of the mints and other vault-room of the Government is everywhere severely taxed. There were on hand in the sub-treasury on November 1, 1882, \$26,884,337.62 of fractional silver coin. In all, there were 2,400 tons of silver coin stored in the public vaults. If the coinage of standard silver dollars is kept up, and the demand for them for circulation is as dormant as now, it will be a serious question where the Treasury Department will find, in public receptacles, storage-room therefor.

Another reason for the coinage at San Francisco is, that all the bullion for the monthly coinage required by law could not be bought on this side of the mountains at the market rate as required by the law, and that portion bought on the Pacific side was coined there because it would cost so much to bring it to this side for coinage, even if there had been mint facilities therefor.

The amount of silver certificates outstanding November 1, 1881, was about \$66,000,000, and the amount outstanding November 1, 1882, about \$65,500,000. The Treasury holds nearly all the standard silver dollars coined during the year ended November 1, 1882. The amount of silver certificates outstanding has lessened during the same time. Judging from past experience, we need not expect an increased demand for silver dollars.

Inasmuch as by recent legislation the Secretary is required to issue gold certificates, it is to be looked for that the place of the silver certificates will be to a great extent supplied by gold certificates, as the latter are furnished in convenient denominations; and it is just to suppose that a certificate payable in a coin worth but eighty-eight per cent. of its nominal value will be displaced by one worth fully its nominal value.

Is the idea vain that the continued coinage of silver dollars is not now required for circulation of them, or as a basis for the issue of such certificates, and that the policy of the Government, so far as it was meant to increase the price of silver, has not been successful?

As was stated in the report of last year, the act requiring the issue of silver certificates, making them receivable for customs and all public dues, was a part of the policy of Congress to maintain the standard of the silver dollar at or near that of the gold dollar.

The objections then urged to the issue of silver certificates, viz., that they form an inexpedient addition to the paper currency; that they

are made a legal-tender for the purposes named for more than their real value; that there is no promise on the part of the Government to pay the difference between their actual and nominal value; and the embarrassments which arise from the endeavor to maintain several standards of value, still have their force.

There is just now a seemingly greater demand for silver dollars. It is only in seeming. The process is this: Gold is deposited in New York. For that, by arrangement, silver dollars are taken from the mint at New Orleans. They are not put into circulation. They are deposited at once in the sub-treasury there, and silver certificates taken to meet immediate pressing needs for currency. As gold certificates are now going into business hands in New Orleans, the process above stated will probably cease, as it is not looked for that silver certificates will be sought rather than the gold certificates. That process keeps the silver dollars out of the Treasury but a short time, and does not put them into general circulation.

I refer for a more full discussion of this subject to my report of last year, and repeat my recommendation that the provision for the coinage of a fixed amount of standard silver dollars each month be repealed and the Department be authorized to coin only so much as will be necessary to supply the demand.

The recommendation is renewed for the repeal of the act requiring the issue of silver certificates, and for a law authorizing measures for their early retirement from circulation.

The international monetary conference met in April last, on the day to which it had adjourned, and adjourned again *sine die*. It is not understood that it effected any important practical result.

GOLD CERTIFICATES.

Under the act of the last session of Congress gold certificates have been prepared and have been issued, as is shown in this table:

Denominations.	Gold certificates ready for issue.	Gold certificates issued November 27, 1882.
\$20's.....	\$3,920,000	\$2,240,000
50's.....	5,000,000	2,200,000
100's.....	7,000,000	3,000,000
500's.....	10,000,000	5,050,000
1000's.....	12,000,000	4,300,000
5000's.....	20,000,000	4,500,000
10000's.....	80,000,000	10,000,000
Total.....	138,920,000	31,290,000

CONVERSION OF REFUNDING CERTIFICATES.

At the date of the last report refunding certificates issued under the act of February 26, 1879, remained outstanding to the amount of \$589,050.

There have been presented during the year for conversion into four per cent. bonds, certificates amounting to \$174,300, leaving still unconverted \$423,750.

In the language of the act, these certificates are "convertible at any time, with accrued interest, into the four per cent. bonds described in the refunding act." Prior to May 1, 1882, it had been the practice of the Department to convert the principal only of the certificates into four per cent. bonds, paying the interest accrued on the certificates in lawful money.

A holder of refunding certificates having made a demand upon the Department to have the interest accrued on his certificates, as well as the principal thereof, converted into four per cent. bonds, the question was referred to the Department of Justice for examination. In the opinion of the Attorney-General which was furnished this Department, the claim thus made was held to be justified by the language of the act, and on conversions effected since May 1, four per cent. bonds have been issued in satisfaction of the interest accrued on the certificates, in lieu of the payment of lawful money, in all cases where such interest amounted to a sum sufficient to entitle the holder to a bond.

Up to November 1, 1882, \$5,500 in four per cent. bonds have been issued in this manner, making an increase to that extent of the amount of such bonds outstanding, but not increasing the total debt.

CONTINUED TRUST-FUND BONDS.

It was stated in the last report that \$451,350 in bonds of the five per cent. funded loan, held by the Secretary of the Treasury as a part of the sinking fund for the Pacific Railroads, had been continued at three and a half per cent., and that \$52,000 in bonds of the same loan, held in trust for the South Carolina school fund, had also been continued in preference to allowing the bonds to be redeemed and investing the proceeds in other bonds.

For the same reason the three and a half per cent. bonds have now been exchanged into three per cent. bonds of the act of July 12, 1882.

COINS AND COINAGE.

The report of the Director of the Mint gives, in detail, the transactions of the mint, and assay offices during the year, together with sta-

tistics and inquiries into the financial condition of our own and foreign countries.

The imports of foreign gold coin and bullion were during the previous year ninety-seven and one-half millions. During the last fiscal year the excess of imports over exports was about one and three-quarter millions.

There were during the fiscal year ended June 30, 1882, exports of—

Gold bullion.....	\$1,600,436
Gold coin, American.....	29,805,289
Gold coin, foreign.....	1,182,155
Total.....	32,587,880
Silver bullion.....	\$11,732,340
Silver coin, American.....	423,098
Silver coin, foreign.....	4,674,160
Total.....	16,829,599
Total gold and silver.....	\$49,417,479

There were imports of—

Gold bullion.....	\$9,406,053
Gold coin, American.....	4,796,630
Gold coin, foreign.....	20,174,371
Total.....	34,377,054
Silver bullion.....	\$2,121,733
Silver coin, American.....	940,877
Silver coin, foreign.....	5,032,726
Total.....	8,095,336
Total imports of gold and silver.....	\$42,472,390

There were deposited at the mints and assay offices \$66,756,633 of gold, which was \$74,000,000 less than the preceding year, because of the decrease in the imports.

The coinage at the mints during the fiscal year was—

Gold.....	\$89,413,417 50
Standard silver dollars.....	27,772,675 00
Fractional silver coins.....	11,313 75
Minor coins.....	644,757 75
Total.....	117,841,594 00

The coinage of gold was nearly \$11,000,000 more than that of any previous year in the history of the mints. About one-half of this was in eagles, one-third in half-eagles, and the rest in double-eagles.

The purchase of silver for coinage during the year was 23,627,229.37 ounces of standard silver, at a cost of \$24,136,942.20, an average of \$1.02.15 per ounce standard. The average London price for silver was 51 $\frac{1}{8}$ pence per ounce of British standard fineness, equivalent to \$1.02.26 per ounce United States standard, and the average New York price was \$1.02,419 per ounce standard.

During the year, about \$29,000 of punched and mutilated silver coins were purchased and melted for recoinage.

The silver coinage consisted of \$27,772,075 in standard dollars, and \$11,313.75 in fractional coin, a total of \$27,783,388.75.

The profits on the silver coinage amount to \$3,440,887.15, of which \$3,438,829.41 were from the coinage of the dollar and \$2,057.74 from fractional coin.

When the financial report of this Department was made last year, public queries were started whether the profits on coinage were truly given. To satisfy myself and please a proper public scrutiny, I called a fitting official person from the assistant treasurer's office at New York, and charged him with a thorough investigation of the matter. What he did appears in his report appended hereto. I think it is complete and satisfactory, and puts at rest any doubt that the accounts have been accurately kept and truly reported.

During the year the mints distributed 15,747,463 standard silver dollars, leaving in their vaults 35,365,672, from the coinage of this and former years.

Of the minor or base-metal coins, 46,865,725 pieces were struck, in value \$644,757.75. Of this, 4,460,775 pieces, in value \$220,038.75, were five-cent nickel coins, for which the demand was large during the year. The rest of it was principally of one-cent pieces.

Besides the coinage, \$37,595,120 worth of gold and \$8,129,202 worth of silver was made into bars.

Up to October 1, under the act of May 26, 1882, \$6,588,000.06 in fine gold bars fit for export were changed for gold coin at the New York assay office, thus saving the expense of coinage.

The coin circulation of the country on July 1, 1881, is estimated, from the statistics of coinage and net imports of coin, to have been—

United States gold coin	\$439, 776, 753
United States silver coin	171, 459, 766
Total	<u>611, 236, 519</u>

The increase on the 30th of June last, by coinage and imports of coin, was—

United States gold coin	\$500,882,185
United States silver coin	199,573,360
Total	<u>700,455,545</u>

There was further increase by coinage and imports during the next quarter of \$11,368,851 in gold, and \$7,036,410 in silver.

The mints and assay offices on the 1st of October also held for coinage \$51,440,420 in gold bullion, and \$3,343,565 in silver bullion, making the stock of United States coin and bullion available for coinage on October 1—

United States gold coin	\$512,191,036
United States gold bullion	51,440,420
United States silver coin	206,609,770
United States silver bullion	3,343,565
Total	<u>773,584,791</u>

THE NATIONAL BANKS.

The affairs of the national banks during the current year are treated of more fully in the report of the Comptroller of the Currency than space will permit herein. It gives an abstract of their resources and liabilities for each year since the national-bank system went into operation, together with statistical information for a series of years, drawn from official sources, of the affairs of private bankers, savings-banks, and banking associations organized under State laws.

The number of national banks organized during the year is 171, which is the greatest number organized during any year since 1872. The number of banks in operation is 2,269; more than at any previous date. They are located in every State and organized Territory of the Union. The returns made by them show that on October 3d of the present year they had as aggregate capital \$483,104,213; as surplus, \$131,977,450; as individual deposits, \$1,122,472,682; had made loans in amount, \$1,238,286,524; and held in specie, \$102,857,778.

The number of banks whose corporate existence either has expired, or would have expired if no action had been taken by their stockholders, is eighty-six. The stockholders of fifty-four of them, which have been placed in voluntary liquidation or whose charters have expired by limitation, have organized new banks in the same localities.

The stockholders of thirty banks have extended their existence under the act passed at the last session of Congress. That act was well adapted to the purpose intended.

The corporate existence of 305 other banks will expire before February 25, 1883. Nearly all of these have given notice of an intention to seek an extended period of existence, under that act.

The report also tells the total amount of coin and currency in the country, and the distribution of them in the Treasury, in the banks, and among the people. Since the day of resumption—the 1st day of January, 1879—there has been an increase, in gold coin of \$288,795,330; in silver coin of 105,750,532; and in national-bank notes of \$38,936,073; in all, of \$443,481,935.

The aggregate circulation of the national banks had steadily increased for a series of years. The action of existing banks, in making deposit for the ultimate redemption of their circulating notes, lessened for the year the amount of those notes for which those banks are liable by the sum of \$5,478,854.

The national banks hold \$220,000,000 of United States bonds which are payable at the pleasure of the Government. This is more than one-half of the whole amount outstanding of this class of bonds. If the public debt is to be paid as rapidly as it has been of late, it is likely that all of these bonds will be paid during the next three years. Whenever they are called for payment, the banks holding them, to keep up the circulation of their notes, must either deposit lawful money in the Treasury amounting in the aggregate to at least \$200,000,000, or purchase and deposit there other United States bonds. The cheapest of those bonds are at a high premium in the market.

It is estimated that the profit from the deposit of those bonds and the taking and issuing the circulating notes furnished thereon, when the lawful rate of interest is as high as six per cent., is not more than three-fifths of one per cent. It is supposed that this is not enough to lead the banks to buy them largely, for the purpose of securing circulation.

Is there not reason for forethought whether, with this embarrassment, the bank circulation will not be so largely retired as to trouble the business community?

Ways are suggested of forestalling a troublesome contraction of the circulation—one, a reduction or abolition of the tax on circulation; another, an increase of the rate of issue to ninety per cent. of the current market value of the bonds; another, that the four and four

and a half per cent. bonds be refunded into three per cents upon terms satisfactory to the holders, thus bringing into market a class of bonds purchasable at a lower rate; and another, that the Treasury Department be empowered to take, as a basis of circulation, the three-sixty-five bonds of the District of Columbia.

The Comptroller gives statistics of the taxation of the national banks, and again recommends a repeal of the tax upon capital and deposits, in which recommendation the Secretary concurs. The capital invested in national banks is \$462,341,601. The taxes assessed upon them by the United States and the States for the year 1881 were \$17,189,080, being at the rate of 3.7 per cent. The amount assessed by the United States is near one-half of the whole. A repeal of the laws providing for it would still leave those banks liable to an assessment by the States of over eight millions of dollars per annum.

The Comptroller of the Currency has completed his annual tables, showing the amounts of United States bonds held by the national banks, State banks, savings-banks, and private bankers on the 1st of November, 1882. The national banks held on November 1, 1882, as security for circulation and for public deposits and other purposes, \$396,528,400 of interest-bearing bonds of the United States. This is nearly thirty millions less than the amount held on November 1, 1881, and about seven millions less than for the corresponding date in 1880.

Banking associations other than national hold these bonds as follows: State banks in twenty-one States, \$8,739,172; trust companies in five States, \$16,934,812; savings-banks in fifteen States, \$237,786,442—total, \$263,460,426.

There has been during the past year a decrease of about two millions in the amount held by State banks and trust companies, and an increase of nearly twenty-seven millions in the amounts held by savings banks.

The amounts held in geographical divisions by these associations in 1882 were as follows: Eastern States, \$42,667,248; Middle States, \$197,135,239; Southern States, \$268,350; Western States, \$3,369,414; Pacific States, \$20,020,175—total, \$263,460,426.

These returns have been compiled from reports made to the officers of the different States, which have been forwarded by them to the Comptroller.

The interest-bearing funded debt of the United States was on November 1, \$1,418,080,200. The total amount of bonds held by the national banks, State banks, and savings-banks at the nearest corresponding date that could be ascertained was \$659,988,826, which amount is not greatly less than one-half of the whole interest-bearing debt.

Similar facts have also been compiled from the returns made by State banks, savings-banks, and private bankers to the Treasury Department for the purpose of taxation, showing that the banks and bankers of the country, exclusive of the national banks, held an average amount of United States bonds during the six months ending May 31, 1882, as follows: Savings-banks, \$242,028,782; State banks and trust companies, \$23,211,430; private bankers, \$14,870,745—total, \$280,110,957.

The amount of bonds given in the returns to the Commissioner of Internal Revenue, which is the amount invested in United States bonds, and may include the premium as well as principal of the bonds, is \$16,650,000 more than the amount obtained from the returns to State officers. The difference is comparatively small, and the amounts obtained from the one source serve to corroborate the general accuracy of the returns obtained from the other.

At the last session of Congress legislation was had to stop the over-certification by national banks of checks, in form drawn upon them. (See chapter 290 of 1882, section 13.) That act is an amendment of section 5208 of the United States Revised Statutes, which made it penal to certify such a check unless the drawer then had on deposit with the drawee money to the amount of it. Section 13, above cited, makes it penal to resort to any device, or to receive any fictitious obligation, whereby to evade the provisions of section 5208, above cited. Since the passage of section 13, instead of the formal certification of checks, some national banks have made a formal acceptance thereof. They claim that this does not break the law, and plant upon section 5136 of United States Revised Statutes, wherein that section allows the making of contracts and the use of powers incidental and necessary to the business of banking; and upon section 5209, United States Revised Statutes, which makes it penal for a bank officer to accept without authority, whence, it is claimed, the implication is, that with authority from the bank directors it is lawful; and upon the absence from section 13 of an express prohibition of making an acceptance. The question remains, however, is the making of the acceptance a resort to a device, or the receiving of a fictitious obligation, in order to evade the provisions of section 5208? For it is understood at this Department that these acceptances are not always made upon an amount of money actually on deposit with the acceptor equal to that of the check. Judging that Congress was earnestly trying to stop a practice which it deemed fraught with evil, I believed it well to concur with the Comptroller of the Currency in submitting the matter to the Department of Justice, for the official opinion of the Attorney-General, whether a national bank

might lawfully make such acceptances; and, as the amount of them is supposed to be large, whether, if the bank might lawfully make them, it should be held, in so doing, within the bounds of section 5200, Revised Statutes United States, to the one-tenth of its paid-up capital; and, if it might be so held, whether that limit applied to the gross amount of the acceptances or to a single acceptance? (See section 5202, United States Revised Statutes.) The Department of Justice has made reply to the communication of this Department. The opinion of the Attorney-General is that to write the word "accepted" across a check is to the same effect as to write the word "good" there; and that, though one may be called a "certification" and the other an "acceptance," they mean the same thing, and are like acts; that when the drawer has not with the drawee the funds with which the check may be at once paid, the writing of one word, just as much as the writing of the other, is for the same forbidden purpose—to produce the same forbidden result; that, inasmuch as the liability is the same whether the check be marked with the one word or the other, either mark, if incurring that liability, would seem to be sufficient to bring the case within the prohibition referred to. It remains to be seen whether the banks which have indulged in this practice will cease therefrom on knowledge of this opinion, or whether the Comptroller of the Currency, or the law officers of the Government, must enforce the pains and penalties incurred by violation of the law.

PUBLIC MONEYS.

The monetary transactions of the Government have been conducted through the offices of the United States Treasurer, nine assistant treasurers, and one hundred and thirty-five national-bank depositaries.

The gross receipts of the Government, amounting during the fiscal year, as shown by warrants, to \$524,470,974.28, were deposited as follows:

In independent-treasury offices	\$382, 680, 906 77
In national-bank depositaries.....	141, 790, 067 51

The quarterly examinations of independent-treasury offices, required by law, have been made, and those offices have, besides, been subjected to special examinations by officers of this Department. As far as known, there has been no loss to the Government from public officers engaged either in the receipt, the safe keeping, or the disbursement of the public moneys. I have seen some instances of misdealing with them, but as yet without ultimate public loss.

CUSTOMS.

The revenue from customs for the last fiscal year was \$220,410,730.25, an increase of \$22,251,054.23 over that of the preceding year; an increase in the value of dutiable imports of \$73,887,486, and in that of free goods of \$8,087,460. There was collected at the port of New York the sum of \$152,773,962.32; at all other ports, \$68,300,698.03. The sum of \$49,198,312 was collected on sugar, melado, and molasses; \$29,253,016 on wool and its manufactures; \$24,175,547 on iron and steel, and manufactures thereof; \$22,633,137 on manufactures of silk; \$12,227,103 on those of cotton; and \$6,771,483 on wines and spirits; in all, from those articles, \$144,258,598.

The table here given shows the rate per centum of the cost of collection. It is .0294, and is less than that of any year since 1876:

Aggregate duties on imports and tonnage, and receipts and expenses of collection for the fiscal years 1877, 1878, 1879, 1880, 1881, and 1882.

Year.	Duties.	Receipts.	Expenses.	Cost, per cent.
1877	\$130,956,493 07	\$132,634,029 53	\$6,501,037 57	4.90
1878	130,170,680 20	132,024,409 16	5,826,974 32	4.41
1879	137,250,047 70	138,976,631 79	5,485,779 03	3.94
1880	186,522,064 60	188,508,690 34	5,995,878 06	3.18
1881	198,159,676 02	200,079,150 98	6,419,345 20	3.20
1882	220,410,730 25	222,559,104 83	6,549,595 07	2.94

I also ask the attention of Congress to the classification of sugar, as I know not whether it will be treated of, or, if it is, how it will be treated of in any other document brought to the attention of Congress; and the subject is one of practical importance.

The Dutch standard of color is no longer a practical test of the saccharine strength of imported sugars, or of their value for refining. The Supreme Court, in a recent decision, has interpreted the existing law to be, that customs officers may not look beyond the apparent color, and must classify the invoices thereby, though satisfied that the color is artificial and made to get a lower rate of duty. That standard was adopted, doubtless, believing that color showed value. The intention was to put upon sugar, duties in effect *ad valorem*. As it has come about, however, the grades of sugar highest in value, when thus artificially colored, come in at the lowest rate of duty. The purpose of Congress in adopting the Dutch standard is measurably defeated. Provision should be made for just classification. This may be done by putting on an *ad valorem* duty, by a specific duty, or by authorizing some standard other than that of apparent color. Now, domestic producers do not get the

incidental protection meant to be given them. Importers, too, are subject to embarrassment in fixing the rate of duty on their goods, and otherwise.

The importance of a new tribunal for the trial of customs cases, or of the transfer of them to an existing tribunal, is again presented to Congress. The bill now pending gives jurisdiction over them to the Court of Claims. It seems to this Department that this is a method economical and speedy, and hence good for the disposal of these cases. It would relieve the Department of business which it is not fully organized to entertain and properly act upon.

The recommendation of last year is repeated, that the Secretary be authorized to refer to the Court of Claims, in his discretion, any disputed claims against the Government involving important questions of law or fact. This would give to claimants and to the Government a proper judicial trial and judgment, and ward off the requests for re-examinations which are now urged upon every change of principal officers of Departments.

It is also recommended that there be authorized the appointment of three additional general appraisers. The necessity for this addition has long been felt, the interests of the Government having suffered in some sections for the lack of a proper tribunal to determine disputes.

INTERNAL REVENUE.

From the various objects of taxation under the internal-revenue laws the receipts for the fiscal year ended June 30, 1882, were as follows:

From spirits	\$69,873,408 18
From tobacco	47,391,988 91
From fermented liquors	16,153,920 42
From banks and bankers	5,253,458 47
From adhesive stamps, (including bank checks, \$2,318,455.14; friction matches, \$2,272,258; patent medicines, &c., \$1,978,395.56)	7,569,108 70
From penalties, &c.	199,830 04
From collections not otherwise provided for	81,550 00
Total	146,523,273 72

The increase of the revenue from spirits during the last fiscal year was \$2,719,433.30; the increase from tobacco in its various forms of manufacture for the same period was \$4,536,997.60; the increase from fermented liquors was \$2,453,679.21; the increase of revenue from taxes on banks and bankers was \$1,491,250.40; the total increase of internal revenue from all sources was \$11,293,361.42.

REDUCTION OF TAXATION.

The Treasury Department was created by act of Congress, chapter xii, of the year 1789. By the second section it was made the duty of the Secretary "to digest and prepare plans for the *improvement* of the revenue." The word *improvement* meant enlargement. The need was for more revenue, and the lack was of subjects from which it might be taken. In that sense that duty is now without care. The times have changed. What now perplexes the Secretary is not wherefrom he may get revenue and enough for the pressing needs of the Government, but whereby he shall turn back into the flow of business the more than enough for those needs that has been drawn from the people.

There are now in the Treasury unused assets to a large amount, and the daily receipts into the Treasury from customs and internal-revenue taxation are about a million and a quarter.

It is plain from this, and the statement with which this report begins of the estimated expenditures for the next fiscal year, that the receipts from revenue are, and are likely to be, in excess of the needs of the Government.

From the inequality between daily large receipts and comparatively small daily disbursements there comes an evil effect upon the business of the country. The collections by Government are taken out of the money market in sums and at dates which have little or no agreement with the natural movement of money, and are returned to it with the same inadaptation to commercial or financial requirements. Occasionally the large disbursements of the Government have created a plethora of money; more frequently its large and continued withdrawals of money have caused such a scarcity of floating capital as to check the proper movement of legitimate business. It is not only that the amount in the Treasury is so much kept from the use of community; the fact becomes an incentive and an aid to men who for their own ends conspire to keep from that use other large sums. We have believed that the laws of the States against primogeniture, the entail of estates, and the accumulation of personal property, stood in the way of heaping up wealth in single hands, and gathering in single hands the power over others that great wealth gives. But so it is, that to-day there are men so rich that by conspiring together, they can at will put and hold hand on near as much money as Government can lay hand to, save by the use of its credit. The power thus had is used from time to time. It results, that violent and sudden contractions and expansions

afflict the business community, and the Government is an unwilling aider and abettor therein. It has come about that the Treasury Department is looked to as a great, if not a chief cause of recurring stringencies, and the Treasury is called to for relief. Every Secretary of the Treasury for years past, has had it brought clearly to his mind, and official expedients have been used to remedy the evil. Little of lasting value has been accomplished thereby.

There is no advisable and lawful mode of disbursing an existing excess of assets but that of the payment of the public debt. That debt is substantially of two principal classes—that payable at the pleasure of the Government, that payable at a fixed date in the future. The former is also of two kinds—that bearing interest at three and a half per cent., and that at three per cent. The latter may not be called in for payment while any of the former is outstanding and uncalled. So is the law of its creation. Of the former there are outstanding and uncalled over seventy millions. The interpretation put by the Department upon the various laws out of which that debt has arisen, requires that a call for it for payment must fix for the maturity and for the cessation of interest a date three months off. This somewhat hampers the Department in so making calls as to keep up a timely succession. For calls at three months off there must either be the funds in hand therefor at the time when the call is made, or there must be a reliance upon the probable prospective receipts. To wait before making a call until the funds are in fact in hand would be to increase the evil of which I am speaking. To call in reliance upon receipts to come needs caution, lest by changes in business currents or business prosperity they may be lessened, and thus embarrassment ensue; so that, practically, the Department cannot with prudence work in this matter up to what may turn out to be its full ability. Whether the three per cent. bonds will require the same length of call-time has not yet been determined. Nor is a call always effectual in bringing in the debt for payment. The monthly statements of the public debt show that of matured obligations on which interest has ceased there are outstanding over eleven millions and a half, some of it from the year 1837. Doubtless some of this has been lost or destroyed, and will never be brought for payment. But bonds which are in late calls come in slowly. Thus, of the calls preceding the last, all of which have been some days payable at option of holders without rebate of interest, and which were, in all, for \$55,000,000, there is outstanding \$35,000,000 and over.

Bonds of the other principal class are of several kinds, all payable at a future date, and all are now at a high premium in the market. If it

were good policy for the Department to buy these at their premium, it could by so doing easily free the Treasury from its excess of assets. Various causes put these premiums, at a height almost unexampled. It is true that capitalists may buy them now, and they will, if the present state of things continues, by the time they fall due and payable, and are paid to them at their face, have realized some interest upon the purchase price. At the present premium on most if not on all of them that will be short of three per cent. Calculations show that at these premiums a purchase will not have yielded at the end of their term three per cent. on the money paid for them. The Government by the purchase of them might in effect take an equal profit. But it can save to itself three and a half per cent. by calling bonds of that class. Hence, I do not perceive how a Secretary could justify himself to the country at large, in paying the Government debt at ruling premiums, when there is no requirement of law to be answered, and no convenience or pressing need of the Government to be met; unless there is a great emergency, and general financial disaster is threatened, which only extreme measures of Governmental interference can turn aside. It is true that this Department has heretofore, and as late as March 30, 1881, purchased bonds and paid for them the face value and a premium thereon. The purchases on that day were over five millions and a quarter of dollars, and the premium paid near fifty-five thousand dollars. But the purchase was for the sinking-fund, and the law of that fund required a purchase, and there were no Government bonds redeemable at pleasure to the payment of which an excess of assets might be applied. In former years there were large and continued purchases of bonds at a premium, but they went hand in hand with sales of gold at a greater premium, and the Government made a profit by the transaction, and then, too, was for a time the requirement of the sinking-fund, and there were no bonds payment of which might be made *in invitum*.

The anticipation of payment of called bonds without a rebate of the interest up to the day named in the call rests upon a different basis. A prepayment of interest upon the public debt is sanctioned by express provision of law. (See resolution No. 25, of March, 1864, and U. S. Rev. Stats., 3699.) A reference to the debates in Congress when that resolution was under discussion, shows that the motive for the adoption of it was, that the Treasury Department might at any time break a tightness in the money market by putting out money idle in its vaults. The power thus given has of late been used for that purpose. Though this does give a gain to the holders of the bonds, it puts no loss upon

the Government. The Treasury uses for the prepayment, money that it needs not for use in other ways, and which yields no interest, and which it must at last use for paying just what it pays in advance, and to no more than the amount that it must at last pay. In paying a high premium, however, it pays what it is not bound ever to pay, and it is not a certain event that it will ever make itself whole again, and to the extent of some part of the premium, it extinguishes no debt.

It is doubtless good policy to extinguish the long bonds of the Government, rather than those payable at its pleasure; for the time is at hand when, with the present rate of receipts and the present rate of payment of the public debt, all the bonds subject to optional time of payment will have been called in. Then, if there be a surplus in the Treasury, there will be no outlet for it save by purchase at large premium of long bonds, or the disbursement of it through appropriations for purposes beyond the ordinary and economical needs of the Government. It is, therefore, for Congress to consider the propriety of empowering this Department to buy the long bonds at a high premium. If it shall deem it politic to make general purchases of bonds at such premium for extinguishment, it should by law give to this Department express authority so to do, and thus adopt that policy.

There have been other suggestions of modes of freeing the Treasury of an excess of assets. The national-bank act, section 35, (U. S. Revised Statutes, sec. 5133,) provides for the designation of national banks as depositaries of public moneys, security being taken in a corresponding deposit of United States bonds. All moneys received for customs must be paid into the Treasury, and no part of them can be placed in national bank depositaries. It is seen that if they, or any part of them, were deposited with national-bank depositaries, they would soon find their way back into the currents of business in loans and discounts, as do now the receipts from internal-revenue taxation.

There are in the Treasury over fifty millions of dollars, being the five per cent. fund for the redemption of national-bank notes, and the fund for the redemption of notes of national banks that have failed. These funds have not been treated by the Department as "public moneys" within the intent of the sections above cited, and have been kept in the Treasury. If Congress should give an interpretation to the words "public moneys" which would take in these funds, and they be put on deposit with the public depositaries, the same results would follow as are above suggested as to customs receipts.

It is argued by those who contend for larger use of the banks as depositaries that all other civilized countries have an advantage over

the United States in the relations between their treasuries and the money market; that their governments keep their accounts with the strongest banks in the country, and in this natural way of transacting business they do not deprive their trade of the natural and necessary services of floating capital; that it is only in the United States that the Government, chiefly by law and partly for want of the use of existing discretionary powers, deliberately disturbs the natural currents of money, inflicting upon trade a prolonged or spasmodic stringency by locking up its receipts, or stimulating speculation by a sudden outpouring of its hoard; that all business is taxed by this system of legal caprice, and that it is probably no exaggeration to say that our Treasury statutes cause discounts in New York City to average two per cent. higher than under the more natural system of employing the ordinary business agencies for the Government's collections and disbursements.

I do not yield to this reasoning to the full extent that it is sought to push it. It may be well to give the Department the power to make larger deposits in the public depositaries. I conceive that the receipts from customs, now to great extent pledged by law to the payment of the bonded creditor, should be held in the Treasury; for in another course there are disadvantages that might come to both Government and people, and which would, if they came, outweigh all advantages to either. It is safe to say that the country is never so sure of a continued course of prosperity as that prudent forecast will not take heed of possible financial disturbance and disaster. If such should come, in such magnitude as that the national-bank depositaries should be involved in common with all, it would be of the greatest good that the Government had in its own hands the means to meet the daily calls upon it. It has chanced that, singly, national-bank depositaries have failed to meet the drafts of the Government upon them, to its embarrassment. Greatly more so would it be if all or many should so fail together, and together should have in keeping, in main, the assets of the Government. The policy of the Department has been to keep for the redemption of the United States notes a reserve of about forty per cent. of the amount of them outstanding, and, besides that, to hold money enough to meet all other obligations payable on demand. It is a part of that policy that the Treasury should itself hold that reserve. "You must be ready for the evil day, and, being ready for the evil day, the evil day almost never comes; not being ready for the evil day, it is certain to come." For these reasons I would not seek a release of the Treasury from this complication, in these modes.

The radical cure for the evil is in the reduction of taxation, so that

no more will be taken from the people than enough to carry on the Government with economy; to meet all its obligations that must be met from year to year; to pay off with reasonable celerity the part of the debt which it may pay at pleasure, and to provide through the sinking-fund for the payment of that which will become payable by and by. The evil comes from the likelihood of the Government holding from time to time a large surplus to be poured out in volume at uncertain and unforeseen times, and at times often inopportune for the business of the country. There could not be that surplus, surely not so great a one, if the subjects of taxation were lessened and the rates made smaller upon those retained.

The figures are given above which show an estimated surplus of public moneys for the fiscal year ending June 30, 1883, upon the basis of existing laws and including the sinking-fund, of \$75,577,043.75.

Unless some disturbing cause comes in, not now foreseen, that surplus will increase from year to year as the interest on the public debt decreases. For without such cause the revenues from all sources will not be diminished if the laws productive thereof remain unchanged. As so great an annual surplus is the direct result of the existing revenue laws, what will be the financial condition of the country if these laws remain unchanged and taxation be not reduced?

In connection herewith, should be borne in mind the increasing expenditure for pensions, as likely to affect in some degree the increase of surplus.

The Commissioner of Pensions has furnished to this Department an estimate based upon facts on his records which gives these figures:

Number of claims filed to June 30, 1882	817,722
Number admitted	472,776
Number on rejected files	75,268
Number pending	269,678
	<hr/> 817,722 <hr/>

Of the number pending, 197,623 are entitled to "arrears," and the first payment in the same, compiled from discharge or death to date, would not fall below \$200,000,000.

The remaining 72,055 were filed subsequent to June 30, 1880, and pension, when allowed, would commence from date of filing.

Last year he estimated that the average value on the 1st day of January, 1884, of each claim allowed out of the class in which are the 197,623 above, would be \$1,350, and he then reckoned that about five-sixths of that class would be found valid claims and would be allowed.

The amount of United States bonds which are now due and payable at the pleasure of the Government are as follows:

Fives continued at three and a half per cent	\$155,356,350
Threes	259,370,500

Total.....	<u>414,726,850</u>
------------	--------------------

Those which next become redeemable are the four and a half per cents, which may be paid September 1, 1891.....	<u>\$250,000,000</u>
--	----------------------

Lastly, the four per cents, redeemable July 1, 1907	738,929,600
To which add the refunding certificates	<u>423,750</u>

Making	<u><u>739,353,350</u></u>
--------------	---------------------------

The amount of the funded debt redeemable at any time before September 1, 1891, which will remain unpaid on the 30th of June, 1883, is about \$300,000,000, and upon the foregoing estimates for the fiscal year ending June 30, 1883, the whole funded debt now redeemable could be paid before June 30, 1886. This would leave as the surplus for more than five years the amount of \$600,000,000, undisposed of in the Treasury, unless, yielding to the temptation of seeming wealth, expenditures be largely increased. The amount of the loan redeemable in 1891 is only \$250,000,000, and, as has been stated, no other loan becomes redeemable until 1907, so that the surplus under the conditions supposed will rapidly increase until that date. The amount of the loan of 1907, as already appears, is less than \$740,000,000, so that, were it all redeemable, the whole public debt could be paid from a surplus as great as estimated early in the fiscal year ending June 30, 1894.

It has not often occurred in public financial history that embarrassment has arisen through superabundance of revenues. The condition of the country in that respect, while it illustrates its almost boundless resources, and establishes its credit beyond a question, presents difficulties of grave character.

The accumulation in the Treasury of a large surplus, which must occur unless immediate measures are enacted for a reduction of the revenues, is not to be placidly contemplated, and the question confronts us, in what manner may it best be prevented?

The suggestion that the Government may go into the market and purchase its bonds not yet redeemable at the market rates is noted in another place. As a temporary expedient, or for a relatively small amount, this policy might be adopted. But were it established by law as a permanent policy, the long bonds, now at a high premium, would

be so enhanced in price as to render the purchase of bonds impracticable within reasonable bounds.

A greater use of the national banks as depositaries is treated of elsewhere herein. If that should be made, it would be but a return to the channels of business of moneys taken from them without need, and with the charge upon the people of the cost of collecting.

I respectfully refer to my last report for my views upon this subject. They have not materially changed. Now, as then, it is recommended to retain a tax on spirits, tobacco, and fermented liquors, as legitimate subjects of needful taxation. They are, in the main, the means of indulgence, and should come before necessities as subjects of taxation. The tax from spirits for the last year was \$69,873,408.18; that from tobacco, \$47,391,988.91; that from fermented liquors, \$16,153,920.42. The increase over the year 1881 was, on spirits, \$2,719,433.30; on tobacco, \$4,536,997.60; on fermented liquors, \$2,453,679.21. The total receipts from the taxation of these articles was for the last year about one hundred and thirty-three millions of dollars. The estimated expenditures for this fiscal year are near three hundred millions. The retention of this tax will still leave a large sum to be raised from other sources, so that there is not a pressing need of a reduction here. Should it, however, be deemed expedient to reduce the rate of duties on either of these articles, to obviate the inducement to fraud, or to render such duties more equal, objection is not so strongly urged against a moderate modification as against a total repeal of all taxes thereon. Propositions have recently been made to abolish the whole system of internal revenue, but neither public sentiment nor political action indicates a desire on the part of tax-paying citizens to strike out this class of taxes. All the other subjects of internal revenue may be released from taxation, unless bank circulation be retained. It is a franchise, a privilege to furnish that, and it is of profit to the banks and of expense to the Government, and hence is a preferable subject of taxation. The amount derived from it was \$3,190,981.98 the last year, yet as the banks are liable to assessment by the States, and thus to bear a share of public burdens, it is advisable to strike off the Federal taxation on their circulation.

The whole amount of internal revenue for the year ended

June 30, 1882, besides those from spirits, fermented liquors, and tobacco, is	\$13,073,956 21
The tax on circulation and deposits of national banks for the same period is	8,956,794 66
Making	<u>22,030,750 87</u>

Deduct this amount from our surplus revenues, and we have still a surplus of about \$98,000,000.

To complete an effectual reduction of taxation, it must be made on some principal source of revenue, and such an one is the duties on imports collected under the tariff laws, and an additional obvious method of avoiding a surplus in the Treasury is a reduction of the revenues from those.

The subject of the repeal of the tax on circulation and deposits of national banks, and those upon adhesive stamps, and those derived from banks and bankers, has been much discussed in Congress. It will be seen, however, that the repeal of all these taxes would relieve but a portion of the difficulty.

The revenues from customs for the current year are estimated at \$235,000,000, and under existing laws, and without a disturbing cause now unforeseen, we may expect that they will not diminish in future years. It seems, therefore, that a reduction should be made in the revenue from the customs.

In reading the testimony before the Tariff Commission it is to be observed that with scarcely an exception the representative of every industry, while conceding that a general reduction of the tariff is proper and necessary, has claimed that its peculiar product can submit to no reduction of the protection now afforded.

While the views of the manufacturers are to be weighed, it is manifest that they will never be able to agree upon a reduction of the tariff duties.

All agree that a revision of the tariff is necessary. The action of Congress in creating a Commission for that purpose renders discussion on that point unnecessary. The action of that commission in detail is not yet known to this Department. Whatever may be its recommendations, they will no doubt receive respectful consideration.

The Secretary of the Treasury, however, cannot feel that he is relieved of responsibility because of that Commission. He deems it proper, therefore, to make some recommendations upon the subject.

The whole amount of revenue from customs for the fiscal year ended June 30, 1882, has already been stated at something more than \$220,000,000. The classes of merchandise paying the largest amount of duties from customs are the following, in the order named: Sugar and molasses, wool and manufactures from it, iron and steel and the manufactures from them, manufactures of silk, manufactures of cotton, amounting to about one hundred and thirty-seven and a half millions. A substantial reduction upon each of the class of articles named is

recommended. And it is believed that the time has arrived when a reduction of duties on nearly all the articles in our tariff is demanded and is feasible.

In addition to this, a careful revision of the tariff should be made with a view to placing upon the free list many articles now paying a duty.

It appears that the largest amount derived from any class of products, under the customs tariff, is that from sugar.

Sugar is a necessary of life for all classes in this country. The average duty on it is equal to two and a half cents per pound, and to nearly fifty-three and a half per cent. ad valorem. The amount of cane-sugar produced in this country is estimated at eleven per cent. of the whole quantity consumed, and it is apparent that nearly the whole amount of revenue from this source is paid by the consumer, the competition by home production not being sufficient seriously to affect the price. The progress of industry in the production of sugar from sorghum and the beet is not forgotten. It is entitled to consideration. It is believed, however, that a substantial reduction of the duty upon sugar may be made without injustice to the producers of it in this country.

Upon wool and iron and steel, and their manufactures, a large reduction must be made to materially lessen the revenues derived from them, as the amount of imports will increase as the duties are lessened.

It will probably be found that in general the reduction can chiefly be made on the raw material or coarser manufactures, rather than those upon which a greater amount of labor has been bestowed. The duties on manufactures of silk, it is believed, may be reduced without injustice to manufacturers in this country.

The cotton tariff is found to be complex and inconsistent, and it is no doubt true that in most of the coarser classes of cotton fabrics our manufacturers can compete with the world without protection.

Wines and spirits, which afford the largest amount of duty next to the five classes enumerated, being articles of luxury, may well bear any rate of duty deemed necessary for the revenue.

Without going further into details, the Secretary earnestly recommends a careful revision of the tariff, with a view to substantial reductions.

The accomplishment of this is recommended to the present Congress, which has been fully aware of the approaching financial situation, as it is now presented, and has fully discussed the subject in some of its bearings.

FOREIGN COMMERCE.

The foreign commerce of the United States during the last fiscal year, including imports and exports of merchandise and specie, was as follows:

Exports: Merchandise	\$750,542,257
Specie.....	49,417,479
	<hr/> 799,959,736 <hr/>
Imports: Merchandise.....	\$724,639,574
Specie	42,472,390
	<hr/> 767,111,964 <hr/>
Imports and exports during the year ended June 30, 1882.....	\$1,567,071,700
Imports and exports during the year ended June 30, 1881.....	1,675,024,318
	<hr/>
Decrease	\$107,952,618 <hr/>

The excess of exports of merchandise over imports thereof was less for the last fiscal year than for any of the previous six years. This is shown as follows:

Year ended June 30—	Excess of exports over imports of merchandise.
1876.....	\$79,643,481
1877.....	151,152,094
1878.....	257,814,234
1879.....	264,661,666
1880.....	167,683,912
1881.....	259,712,718
1882.....	25,902,683

The decrease in exports of cattle, provisions, breadstuffs, and cotton during the last fiscal year, as compared with that of the preceding fiscal year, is as follows:

Commodities.	1881.	1882.	Decrease.
Cattle.....	\$14,304,103	\$7,800,927	\$6,503,876
Indian corn.....	50,702,669	28,845,830	21,856,839
Wheat.....	167,698,485	112,929,718	54,768,767
Wheat flour.....	45,047,257	36,375,055	8,672,202
Cotton, raw.....	247,695,746	199,812,644	47,883,102
Beef, fresh.....	9,860,284	6,768,881	3,091,403
Bacon.....	53,616,981	42,124,602	11,492,379
Butter.....	6,256,024	2,864,570	3,391,454
Cheese.....	16,380,248	14,058,975	2,321,273
Lard.....	35,220,575	28,975,902	6,250,673

There has been an increase in the principal crops of the country in 1882 over those of 1881. Over 75 per cent. of the exports of domestic merchandise is in products of agriculture. It is reasonable to expect an increase in the exports of merchandise and an increase in the balance of trade in our favor. This expectation appears also to be justified by the fact that the exports of breadstuffs for the first four months of the current fiscal year at the principal ports, exceeded such exports for the corresponding months of the preceding fiscal year by \$4,570,084. The exports of petroleum for the fiscal year just closed exceeded those for the preceding fiscal year by \$10,917,097.

IMPORTS OF MERCHANDISE.

The imports of merchandise for the last fiscal year exceeded those of the preceding year by \$81,974,946:

Articles.	1881.	1882.	Increase.
India-rubber and gutta-percha	\$11,054,949	\$14,264,903	\$3,209,954
Breadstuffs.	10,663,675	14,795,920	4,132,245
Cotton manufactures.	31,219,329	34,351,292	3,131,963
Fruits.	12,344,929	18,491,843	6,146,914
Steel ingots	6,218,453	13,341,052	7,122,599
Potatoes	874,223	4,660,120	3,785,897
Silk manufactures	32,056,701	38,985,567	6,928,866
Sugar and molasses.	93,404,288	100,469,022	7,064,734
Wool manufactures	31,156,426	37,361,520	6,205,094

During the fiscal year ended June 30, 1882, the exports of specie were \$49,417,479, and the imports \$42,472,390—a difference of \$6,945,089. In the preceding fiscal year there was an excess of imports over exports of \$91,168,650. This change came, probably, from the falling off in exports of merchandise for the year.

The report of the Bureau of Statistics shows, in detail, the state of the foreign commerce of the United States.

COMMERCE AND NAVIGATION.

The tonnage of vessels owned in the United States at the close of the fiscal year 1882, by the records of the Register of the Treasury, was 4,165,933 tons. Of this, 1,292,294 tons were in 2,185 vessels registered for the foreign trade, and 2,873,639 in 22,183 vessels enrolled and licensed for the coasting trade and fisheries. There was a decrease of 43,292 tons in vessels in the foreign trade, and an increase of 151,491 tons in those in the domestic trade. The increase in the tonnage of this class of vessels for the fiscal year ended June 30, 1881, was but 6,924 tons.

The vessels built and documented as vessels of the United States during the last fiscal year is shown by this table:

Kind of vessel.	Number.	Tons.
Sailing-vessels	666	118, 798. 50
Steam-vessels	502	121, 842. 66
Canal-boats	68	7, 882. 06
Barges	135	33, 746. 51
Total	1, 376	282, 269. 73

The number of documented vessels of all classes built during the past fiscal year exceeds that of the fiscal year ended in 1881 by 263. The undocumented vessels built during the past year, such as canal-boats and barges, may fairly be presumed to have been much larger. The total tonnage of vessels entered from foreign countries was 15,630,541 tons during 1881, and 14,656,499 tons during the year ended June 30, 1882—a decrease of 974,042 tons. The American tonnage entered in the foreign trade was increased 49,141 tons, and the foreign tonnage was decreased 1,023,183 tons. This tonnage is computed from the number of entries of vessels, and not on the number of vessels, and is limited to the seaboard ports.

Of the merchandise brought in at seaboard, lake, and river ports during the fiscal year 1882, \$130,266,826 were imported in American vessels, and \$571,517,802 in foreign. Of the exports of merchandise, \$96,962,919 were shipped in American, and \$641,460,967 in foreign vessels. Of the combined imports and exports of merchandise, 16 per cent. only was conveyed in American vessels.

EXPORTS AND IMPORTS AND QUARANTINE OF NEAT-CATTLE.

Legislation on these subjects has two objects: First. The extinction and prevention in the United States of the disease known as *pleuropneumonia*, or lung plague. Second. The increase of our commerce in neat-cattle with other nations, especially Great Britain.

The disease did not begin in this country, the first cases having been traced to foreign origin. It is found on the Atlantic coast in several places from New York to Baltimore, but has not been felt in New England for many years. It is a contagious disease, of malignant type, likely to spread through herds, and from herd to herd. Mindful that the number of neat-cattle in the United States in 1880 was about 36,000,000, which, at \$25 per head, would be valued at \$900,000,000, and that there has probably been increase rather than decrease, it is seen that this is a matter of moment. The spread of the disease on the Atlantic coast

alone would make serious loss, though it is more readily controlled where cattle are penned or housed. The starting and spread of it in the great open cattle ranches of the West would be calamitous. Its contagious character, and the difficulty of treating it in large herds roaming at will, make it formidable. Should it get a firm hold there, it would badly hinder the raising and sale of cattle, which is a means of wealth and prosperity to many of our people.

To prevent it being brought from abroad, the Department, in July, 1879, established regulations subjecting all imported cattle to a quarantine of ninety days. As there was no appropriation therefor until the last session of Congress, importers were obliged to quarantine their cattle at their own expense; and as the Dominion of Canada, under like provisions for quarantining imported cattle, made liberal provision therefor, most of the cattle imported into the United States were brought from abroad first into Canadian ports.

Using an appropriation of the last session, this Department, through the Treasury Cattle-Commission, has taken active measures for establishing for imported cattle quarantine stations and shelter at Portland, (Me.), Boston, New York, Philadelphia, and Baltimore. The design is to furnish buildings with sufficient land, so arranged that the cattle in quarantine may be isolated, not only from cattle already in the country, but each importation from others, and be kept constantly under the inspection of Government officers. It is expected that these arrangements will be completed at the ports named within a few weeks.

The second object in view is to promote the trade in neat-cattle with foreign nations, especially with Great Britain.

The number of live cattle exported, chiefly to Great Britain, in the year ended June 30, 1881, was 185,707, valued at \$14,394,103. For the year ended June 30, 1882, the number was 108,110, a decrease of 77,597, and in value of \$6,503,876. The decrease was, however, no greater in proportion than that generally in the exportation of articles of food.

By an order of the Privy Council of Great Britain of February, 1879, all cattle imported from the United States must be slaughtered at the port of arrival within ten days. This order, deemed necessary to prevent infection, will, no doubt, be rescinded, whenever the United States shall adopt measures rendering it reasonably certain that importations of cattle from this country will not introduce the disease from which the people of Great Britain have heretofore suffered loss.

This order causes great loss on cattle exported to Great Britain from this country, as only animals fit for beef can now be exported, and the shrinkage in them on immediate slaughter, after the waste of a sea voyage, without recuperation, is estimated at not less than ten per cent.

There is a great demand in England for stock cattle, to be fed and fattened on English soil, which we could readily supply, were it not for the order referred to. Under a recent appropriation, this Department, through the Cattle Commission, is arranging with the various railroad companies for the transportation of cattle from the Western States to the seaboard so as to save them from contagion on the route. When these arrangements are perfected and found efficient, we may fairly ask of Great Britain that the order for immediate slaughter of American cattle imported into that country be rescinded.

The report of the Commission speaks in detail on this subject.

REVENUE MARINE.

There are now thirty-seven vessels in the Revenue-Marine Service, thirty-two of which are steamers, and five sail-vessels. They are manned by 199 officers and 774 men.

This was their regular work for the year ended June 30, 1882:

Aggregate number of miles cruised.....	303,562
Number of vessels boarded and examined.....	24,008
Number of vessels seized or reported to the proper authorities for violations of law.....	1,042
Number of vessels assisted when wrecked or in distress ...	147
Number of persons rescued from drowning	111
Estimated value of imperilled vessels and cargoes assisted.....	\$2,254,716

Besides the regular duty, the service has done special work.

In May last, at the request of the Navy Department, the *Corwin*, of the Revenue Service, was sent to St. Lawrence Bay, Siberia, to bring away the officers and crew of the naval relief and exploring steamer, *Rodgers*, burned at that place. The *Corwin* made a second cruise to our most northern waters, to protect the seal-fisheries and other Government interests in Alaska. She ascertained the fate of Master Putnam, of the U. S. Navy, who was carried to sea upon an ice floe and perished. She cruised two hundred miles to the eastward of the signal station, at Point Barrow, finding no open violations of law. Coming back by the Aleutian Islands and Sitka, her commander, Lieutenant Healy, in November, quelled an outbreak of the Indians upon the mainland north of the latter place.

The revenue-steamer *McLane*, at Galveston, Tex., co-operated with the Marine-Hospital Service in confining and alleviating the yellow-fever epidemic, carrying physicians, nurses, medicines, and supplies.

The revenue-cutters have also co-operated with the Life-Saving Service and the Light-House Establishment.

The expense of maintaining the Revenue Marine for the fiscal year ended 30th of June last was \$846,423.34.

The new vessel for duty on the southern coast, authorized by Congress in 1880, has been completed and placed on duty, and named "Walter Forward." The appropriation of \$75,000, made at the last session, has, under the authority of the law, been applied to the rebuilding of the revenue-steamer "Commodore Perry."

The recommendation made last year, of a new vessel for the southern coast, to replace one worn-out and not adapted for the service, is renewed. The amount of \$75,000, necessary for this purpose, has been included in the estimates.

The recommendation of the last annual report and of those of several of my predecessors in office, that Congress provide for the establishment a retired list and the extension of the pension laws to the Revenue Marine, is renewed.

LIFE-SAVING SERVICE.

The operations of this useful service have been continued with success. There were at the close of the fiscal year 190 stations in commission. The whole number of disasters to documented vessels, reported by the district officers to have occurred within the field of station operations, is 286. The number of persons on board of these vessels was 2,268. Of this number, 2,256 were saved, and 12 only lost. There were succored at the stations 450 shipwrecked persons, 1,344 days' relief in the aggregate being afforded them. The estimated value of property involved in these disasters was \$4,757,892, of which \$3,099,537 was saved and \$1,658,355 lost. The number of vessels totally lost was 67.

There have also been fifty-six instances of disaster to smaller craft, as sail-boats, row-boats, &c., on which were 126 persons, all of whom were saved. The property involved in these disasters was \$7,850, of which \$6,450 was saved and \$1,400 lost. The aggregate is this:

Total number of disasters.....	342
Total value of property involved.....	\$4,765,742
Total value of property saved.....	\$3,105,987
Total value of property lost.....	\$1,659,755
Total number of persons on board.....	2,394
Total number of persons saved.....	2,382
Total number of persons lost.....	12
Total number of shipwrecked persons succored at stations.....	450
Total number of days' succor afforded.....	1,344
Total number of vessels lost.....	67

Besides the persons saved from vessels, there were twenty nine rescued who had fallen from piers, wharves, &c., and who, without the aid of the life-saving crews, would probably have been drowned. The twelve persons lost during the year are shown, by the investigation held upon each case, to have been beyond human aid. The loss of life is

smaller than that of any preceding year, with one exception, although there were forty-two more disasters than in any year before since the organization of the service. When the number of disasters is considered, and it is remembered that the life-saving stations are located, by selection, at the most fatal points of our dangerous coast, the small loss of life and property is remarkable, and speaks well for the efficiency of the service. It is claimed that the loss of life from marine disaster, upon our coasts, since the general extension of the service thereon, in 1876, has been reduced nearly 75 per cent.; that while in 1876, and before that, one person out of twenty-nine on board wrecked vessels was lost, there has been a constant decrease, until the loss is but one out of every one hundred and thirteen; and this result is almost entirely attributable to the Life-Saving Service.

The service has never been in so good condition as at present. The legislation of the last session of Congress has supplied its main wants, and established the conditions for high utility, in its prime object of saving life and its secondary ones of protecting commerce and aiding the collection of the revenue. This legislation has already had a marked effect upon the status of the establishment, and particularly upon its *morale*. The provision for the ampler pay of the employés, and for aid to those among them who may be disabled in the line of duty, or, in case of fatality, to their widows and orphans, makes them feel that their services are appreciated, and insures cheerful zeal and fidelity in doing duty. It enables the Department to obtain, in instances, better men than before. The crews are now of good capacity and character. It is a rule, in forming the crews, that regard be had for qualification, to the exclusion of political or other considerations. Faithful adherence to this rule is a condition of the success of this service.

Owing to the late date at which the appropriations passed Congress, not much has been done in establishing the new stations authorized by the act referred to. One has been built at Peaked Hill Bar, Cape Cod; and one at Muskeget Island, on the coast of Massachusetts, is nearing completion. Three are in process of construction on the coast of North Carolina. Sites have been selected for others, and in some instances the titles secured.

THE LIGHT-HOUSE ESTABLISHMENT.

During the fiscal year the Light-House Establishment has put into operation eighteen new light-stations, eighty new river lights, five new fog-signals operated by steam or hot air, three new automatic whistling-buoys, one new bell-buoy, and ninety-three new buoys of the ordinary

kind. It has discontinued two lights which are now no longer needed, and has changed the characteristics of ten others, that they may be more useful than heretofore.

The new light-house on Stannard's Rock, Lake Superior, was lighted on the 4th of July. This work, which was specially difficult, is fully described in the Appendix to the Annual Report of the Light-House Board.

The board refrained from making recommendation as to lighted buoys until the results of the experiments made in foreign waters were ascertained. These buoys have now proved to be such valuable and comparatively inexpensive aids to navigation that they have been adopted into several of the light-house systems of Europe. The board has recently had occasion to place a lighted buoy to mark a wreck in one of the channels leading into the port of New York, which could be successfully marked in no other manner.

The work of changing the burners of the lights in the several light-house districts, so as to substitute mineral oil for lard oil as an illuminant, is now so far completed that on the 1st of January next mineral oil will be used in all except the light-houses of the first order.

The appropriation made for erecting electric lights at Hell Gate will enable the board to transfer its experiments with the electric light from the laboratory to a light-house, where it can have a working test.

Attention is called to the board's annual report for further details with regard to the Light-House Service.

COAST AND GEODETIC SURVEY.

The operations of the Coast and Geodetic Survey, both in the field and in the office, have been steadily advanced.

Topographic and hydrographic surveys have been carried on on the Atlantic, Gulf, and Pacific coasts. Aid has been given to the State surveys in progress in nine interior States.

Data and material have been accumulated for additional volumes of the Atlantic Coast Pilot, and for new editions of the Coast Pilots of California, Oregon, Washington Territory, and of Alaska. New charts and new editions of old charts have been published. The annual publication of tide-tables has been continued.

In the estimates for the prosecution of the survey is an item for the construction of a steam-vessel specially adapted to the survey of the coasts and navigable passages of the Territory of Alaska. The growing importance of that country and the needs of its commerce and navigation recommend this proposition to the favorable action of Congress.

THE MARINE-HOSPITAL SERVICE.

During the year 36,184 patients received 333,475 days relief in hospital. Transportation to their own homes was furnished to seven incurable patients. Fifteen seamen have been furnished treatment at the Government Hospital for the Insane; 306 seamen were examined physically as preliminary to shipping; 2,090 pilots were examined for color-blindness; and 3,278 seamen were vaccinated, because of the prevalence of small-pox. The receipts were \$408,215.69, and the gross expenditures \$468,120.16. These expenditures include \$54,192.20, on account of extraordinary alterations and repairs to hospital buildings. Less this amount, \$413,928.14 was the net expense of the service. On July 1, there was an unexpended balance of \$177,869.85, \$50,000 of which will be required for additional repairs then under contract, and \$15,000 more for contemplated alterations. The hospitals generally are in good condition. The recommendation heretofore made for the establishment of a "snug harbor" for those sailors and boatmen permanently disabled, and that for the physical examination of all seamen before shipping are renewed. Of the 2,090 pilots examined for color-blindness, sixty-three were rejected as being color-blind, while of the remaining 306, twenty-four were rejected for various disabilities. There is now no complaint against the examination for color-blindness, and it is believed that the Department would have no difficulty in carrying out the law for the general physical examination of all seamen. One hundred and fifty-four deaths are reported of passengers on voyages from foreign ports to this country. Report thereof is the beginning of statistics on the hygiene of merchant vessels, to meet the intention of Congress in providing for the inspection of those vessels, to show the relative mortality in classes of them. To complete them, the reports should be kept up for years.

An epidemic of small-pox broke out on the Upper Missouri river, where there was no local sanitary law, and the Department, being called upon, made use of the customs force to suppress the disease.

In my judgment, the hospital-tax should not be reduced until seamen request it, or until Congress shall make annual appropriations for the support of the service. When the tax was but 20 cents per month, the Department was obliged to deny relief to many suffering seamen: now relief is denied to few, if any, who are entitled to receive it. The entire number of applicants rejected the last year was 979. These were mostly in the larger cities, and were generally longshoremen and fishermen, in many cases persons who were not sailors. The number of persons rejected who had ever been sailors was small. The

service meets the necessities of those who are its legitimate beneficiaries, and the tax was originally increased from 20 cents to 40 cents at the request of those who are eligible to become such.

STEAMBOAT-INSPECTION SERVICE.

This table shows steam-vessels inspected, their tonnage, and the officers licensed in the several divisions of navigation, during the fiscal year ended June 30, 1882:

Divisions.	Steamers.	Tonnage.	Officers licensed.
Pacific coast.....	330	121,493.91	1,253
Atlantic coast.....	2,332	557,349.37	8,276
Western rivers.....	944	197,721.60	4,805
Northern lakes.....	1,175	298,709.64	4,199
Gulf coast.....	356	73,282.11	1,929
Total.....	5,117	1,278,564.63	20,467

It is an increase over the preceding year—

In number of vessels.....	338
In tonnage.....	74,561.53
In number of officers.....	2,669

Receipts were—

From steam-vessels.....	\$177,841 30
From licenses.....	102,048 00
Total.....	279,889 30

The expenses were—

Salaries of inspectors and clerks.....	\$189,744 17
Travelling and miscellaneous expenses.....	37,871 46
Total.....	227,615 63

Unexpended.....	\$52,273 67
-----------------	-------------

Increase in receipts from inspection of steam-vessels over 1881.....	\$10,212 69
Decrease in receipts from officers' licenses.....	37,871 00
Net decrease for the year.....	27,664 91

The decrease in receipts from licensed officers is because of the amendment of 1882 (April 5) to section 4458, Revised Statutes. It reduced the license fees from \$10 and \$5, according to grade, to fifty

cents in all cases. It is likely that this amendment will bring the yearly receipts below the expenditures. There is, however, an accumulation of funds to the credit of this service of near three-quarters of a million dollars. This will for some years meet any deficiency. Before it is wholly used the service may become self-sustaining by the increase in the number of vessels to be inspected and the fees collected therefrom. The fees have increased for several years about \$6,000 yearly.

The number of accidents to steam-vessels during the year resulting in loss of life was 41; from—

Explosion	15
Fire	7
Collision	16
Snags, wrecks, and sinking	3

The number of lives lost by accidents from various causes during the fiscal year ended June 30, 1882, was 205; from—

Explosion	53
Fire	60
Collision	34
Snags, wrecks, and sinking	6
Miscellaneous casualties	6
Accidental drowning	46

A decrease from last year of sixty-three. Of the lives lost, fifty-six are reported as those of passengers. The rest were employés of the vessels, many losing their lives through carelessness, begot by familiarity with dangerous duties. It is estimated that there were carried during the year 354,000,000 passengers.

IMMIGRATION.

The execution of the act to regulate immigration approved August 3, 1882, has disclosed certain defects in the statute which seem to require legislative remedy.

While the act gives the Secretary of the Treasury supervision of the business of immigration to this country, it enables him to exercise this supervision only through commissioners appointed by the Governors of States in which lie the ports at which immigrants land. He is further to supervise the business only under the stipulations of contracts entered into with such commissioners. Most of the collectors of customs have informed the Department that the amount of immigration at their respective ports is not such as to warrant the appointment of commissioners. At two of the ports at which immigrants needing relief are likely to arrive, namely, Baltimore and New Orleans, no commis-

sioners have been appointed by State authority, and hence the law is there inoperative. At the ports of New York, Philadelphia, and Boston commissioners have been appointed, and the statute is in operation more or less successfully.

In collecting the tax of fifty cents levied by the act on every alien passenger, not a citizen of the United States, arriving by a sail or steam-vessel from a foreign port, it is found that many of the passengers are tourists, many intending a temporary sojourn in this country, and many are minors. Under the construction put by this Department on this provision of the statute, it has restricted the collection of this tax to alien passengers seeking a permanent residence in this country, including in that class minors contemplating a lasting home here. Under this rule the sum collected at most of the ports has exceeded the demands for immigrant relief. At New York it has steadily fallen behind these demands in an amount between four and five thousand dollars per month. If the relief of immigrants is to be secured, some provision is needed for a deficit of this character, inasmuch as the particular sums collected can be expended only at the ports where the immigrants arrive; and the disposition of the excess at some ports should also be provided for.

It is respectfully suggested that the law is peculiarly framed, in this: that while its execution is charged upon this Department, yet this Department must act through subordinates doing the practical work. They are to be appointed by State authority, and that authority may fail to appoint, and they may or may not be paid a proper remuneration if appointed; and the rules and regulations which this Department by direction of the statute is to establish are virtually restricted by the terms of the contracts into which it may be able to enter with the State boards or commissioners. The law is, therefore, in its essential features one of uncertain operation. The thorough execution of it needs the existence of an administrative bureau, with its proper body of officials. But there is no provision in the act for such bureau, no provision for administrative officers other than as above stated, and no provision for the direct control of the business by this Department.

Under the provisions of section 4 of the act, it is provided that all foreign convicts, except those convicted of political offences, shall, upon arrival, be sent back to the nations where they belong and whence they came. This provision may give rise to complications with foreign countries growing out of demands for the return of convicts. First: if the treaty stipulations with a foreign country require the direct return of a convict belonging to that country to its accredited agents, this law

might conflict with the treaty in requiring a return of the convict by the master of the vessel in which the convict was a passenger, instead of a delivery of the convict to the agents of his country. Secondly: the law is itself ambiguous in its directions, as the country to which the convict belongs may not be that whence he came. The Department has endeavored to remove this difficulty by adopting in its regulations promulgated on the 7th of August last the provisions for the return of convicts embodied in section 5 of the "Act supplementary to the acts in relation to immigration," approved March 3, 1875. But the recent statute should be so amended as, on its face, to be free from ambiguity.

NATIONAL BOARD OF HEALTH.

The report of the National Board of Health for the fiscal year ended June 30, 1882, shows an expenditure of \$98,523.07.

This expenditure has been made chiefly in aid of State and local boards of health and of local quarantine stations, in preventing the coming in of yellow fever and small-pox from foreign ports and the spread of them by river and railroad.

The act of June 2, 1879, under which some of the operations of the board are conducted, will expire by limitation on the 2d of June, 1883. If it be deemed advisable to continue the work on which the board is engaged, additional legislation will be necessary, and appropriations, based upon the past experiences of the board, amounting to \$150,000, will be required, and \$100,000 for use in case of epidemics.

The details of the work of the board, the results achieved, and the appropriations required for its continuance are shown in the annual report of the board, which is transmitted.

APPROPRIATION FOR PREVENTING THE SPREAD OF EPIDEMIC DISEASES.

One hundred thousand dollars were appropriated by Congress at its last session, to be used, in the discretion of the President, for preventing the spread of epidemic diseases. The expenditure was by him committed to this Department, because it had ready the services of trained members of the Marine-Hospital Service, of the Revenue-Marine Service, and the Customs Service.

The Governor of Texas applied for aid in checking the spread of yellow fever in that State. The Surgeon-General of the Marine-Hospital Service was charged with the duty of rendering it. The trust was fulfilled with judgment and zeal, and the spread of the fever checked.

The system of cordons formed by him and his official coadjutors was well conceived and useful. The result of their operations shows that the management of such matters may well be confided to them.

ALASKA.

Early attention should be given to the establishment of civil government for Alaska Territory. The importance of that land is not, I fear, fully recognized. It is rich in timber and in the supplies which the ocean gives; and with the present rapid cutting down of the forest on lands nearer market, and the ruthlessly wasteful modes of taking fish on coasts and in rivers nearer at hand, it will too soon become the resource of the country for those products of nature. Moreover, the extent and richness of useful mineral deposit and of precious metals there are not yet fully known, though the indications are that they are great. Were civil government established, immigration and permanent settlement would be encouraged and the way made ready for the profitable use of the natural advantages which that region proffers. There is no lawful authority in that Territory to dispense justice and act upon conflicting claims, unless that assumed by customs officers may be called such. There should be there, as elsewhere, the ready protection of law, administered by officers and in ways, themselves lawful; and then material and social development would go forward. The Treasury Department should not be charged with the responsibility of administering the affairs of that Territory, except in so far as they come within its legitimate functions; certainly not without some well-defined rule of action.

The Alaska Commercial Company has taken during the past year nearly the maximum number of seal-skins permitted under its lease, paid the tax due thereon, as well as the rent of the islands, and otherwise performed its duties under its lease.

DISTINCTIVE PAPER.

There have been received and duly accounted for since the last report 10,374,950 sheets of silk-threaded distinctive-fibre paper for the printing of United States notes, national-bank notes, gold and silver certificates, registered bonds, checks, and other obligations of the Government. The use of this paper continues to give satisfaction, and it is believed furnishes an important defence against attempts at counterfeiting.

During the same period there have been received 19,748,000 sheets of the distinctive paper adopted for the printing of internal-revenue and customs stamps.

COUNT, EXAMINATION, AND DESTRUCTION OF REDEEMED SECURITIES.

The United States legal-tender notes, national currency and miscellaneous securities, received by this office during the fiscal year ended June 30, 1882, for final count and destruction, amounted to \$169,665,573.75½, and United States legal tender notes, national currency, United States bonds, and other obligations mutilated in process of printing, and unissued notes, received for destruction, amounted to \$40,841,164, making an aggregate of securities counted, cancelled, and destroyed, of which details will be found in the tables accompanying this report, of \$210,506,737.75½.

BUREAU OF ENGRAVING AND PRINTING.

The work of this bureau steadily increases. The aggregate deliveries for the year are over twenty per cent. greater, the expenditures for it less than twelve per cent. greater, and the force of employes about ten per cent. greater than the year before. All the engraving, plate-printing, and work incidental thereto required by the Treasury Department is now done in this bureau under the direct supervision of the officers of the Government.

The matter of the use of steam-power presses for printing was on July 10, 1882, referred to a special committee, who still have it in charge. Owing to a pressure of work on the three per cent. bonds and on the new form of circulating notes for national banks which availed themselves of the act of August 12, 1882, the labors of the committee were necessarily broken in upon, and they have not yet finished the task set them to do.

PUBLIC BUILDINGS.

Congress at its last session authorized the erection of thirty-seven new buildings for public use, including four marine hospitals; the purchase of one hospital-building; the extension and remodelling of the custom-house at Buffalo, and that of the court-house and post-office at Des Moines, Iowa. This contemplated an aggregate final cost of \$6,293,000; of which \$3,258,000 were at once appropriated. Sites have been selected for nine of these buildings, and a site for the building at Jackson, Miss., for which appropriation was made at the previous session. Steps have been taken for the selection of others, where jurisdiction over the land has been ceded by respective States. Where this has not been done the Department awaits the action of Legislatures.

I call attention to a recommendation in the report of the Supervising Architect, that the authority for purchasing land at Pensacola be not limited to the extension of that now owned by the United States, and that the Government may acquire a new site, if found advisable.

Of the buildings in progress under former authorizations, five have been finished during the year, and on twenty work is in progress.

There has been expended during the year on the public buildings under control of the Department, \$2,349,249.65 for construction, \$160,618.03 for repairs, and \$137,137.06 for heating apparatus, elevators, vaults, safes, and locks.

DISTRICT OF COLUMBIA.

The net expenditures on account of the District of Columbia for the fiscal year 1882 were \$3,330,543.87. The revenues deposited in the Treasury for the same period were \$1,715,176.41.

Since December 1, 1881, the bonded indebtedness was reduced by operation of the sinking-fund \$250,350, and the annual interest charge upon the District debt was reduced \$13,795.05. Since the office of the commissioners of the sinking-fund of the District of Columbia was abolished and their duties and powers were transferred to the Treasurer of the United States by the act of Congress of June 11, 1878, the funded debt has been reduced in the principal sum \$1,189,250, and the annual interest charge thereon has been reduced \$69,587.67.

The several reports of the heads of offices and bureaus are herewith respectfully transmitted.

The Department is pleased to report that as yet there is no deficiency in the appropriations placed by Congress at its disposal.

CHAS. J. FOLGER,

Secretary.

To the Honorable

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

TABLES ACCOMPANYING THE REPORT.

TABLE A.—*STATEMENT of the NET RECEIPTS (by warrants) during the fiscal year ended June 30, 1882.*

CUSTOMS.		
Quarter ended September 30, 1881.....	\$59,184,469 15	
Quarter ended December 31, 1881.....	49,043,543 98	
Quarter ended March 31, 1882.....	58,585,485 33	
Quarter ended June 30, 1882.....	53,591,231 79	\$220,410,730 25
SALES OF PUBLIC LANDS.		
Quarter ended September 30, 1881.....	948,363 19	
Quarter ended December 31, 1881.....	1,154,120 39	
Quarter ended March 31, 1882.....	1,241,287 44	
Quarter ended June 30, 1882.....	1,409,364 35	4,753,140 37
INTERNAL REVENUE.		
Quarter ended September 30, 1881.....	37,575,502 22	
Quarter ended December 31, 1881.....	37,884,262 83	
Quarter ended March 31, 1882.....	30,362,131 03	
Quarter ended June 30, 1882.....	40,675,698 47	146,497,595 45
TAX ON CIRCULATION, DEPOSITS, ETC., OF NATIONAL BANKS.		
Quarter ended September 30, 1881.....	4,307,988 86	
Quarter ended December 31, 1881.....	12,610 82	
Quarter ended March 31, 1882.....	4,563,707 87	
Quarter ended June 30, 1882.....	72,486 90	8,956,794 45
REPAYMENT OF INTEREST BY PACIFIC RAILROAD COMPANIES.		
Quarter ended September 30, 1881.....	59,999 49	
Quarter ended December 31, 1881.....	221,760 50	
Quarter ended March 31, 1882.....	225,578 03	
Quarter ended June 30, 1882.....	333,216 35	840,554 37
CUSTOMS FEES, FINES, PENALTIES, AND FORFEITURES.		
Quarter ended September 30, 1881.....	329,322 89	
Quarter ended December 31, 1881.....	361,206 89	
Quarter ended March 31, 1882.....	351,505 65	
Quarter ended June 30, 1882.....	301,312 57	1,343,348 00
FEES, CONSULAR, LETTERS PATENT, AND LAND.		
Quarter ended September 30, 1881.....	639,180 08	
Quarter ended December 31, 1881.....	537,405 92	
Quarter ended March 31, 1882.....	657,863 93	
Quarter ended June 30, 1882.....	804,541 04	2,638,990 97
PROCEEDS OF SALES OF GOVERNMENT PROPERTY.		
Quarter ended September 30, 1881.....	66,363 58	
Quarter ended December 31, 1881.....	88,862 96	
Quarter ended March 31, 1882.....	79,870 17	
Quarter ended June 30, 1882.....	79,863 14	314,959 85
PROFITS ON COINAGE.		
Quarter ended September 30, 1881.....	809,317 80	
Quarter ended December 31, 1881.....	859,156 26	
Quarter ended March 31, 1882.....	1,561,089 03	
Quarter ended June 30, 1882.....	887,130 64	4,116,693 73
REVENUES OF DISTRICT OF COLUMBIA.		
Quarter ended September 30, 1881.....	158,445 95	
Quarter ended December 31, 1881.....	1,078,281 41	
Quarter ended March 31, 1882.....	269,822 06	
Quarter ended June 30, 1882.....	268,626 99	1,715,176 41
MISCELLANEOUS.		
Quarter ended September 30, 1881.....	4,009,596 15	
Quarter ended December 31, 1881.....	1,381,047 97	
Quarter ended March 31, 1882.....	1,183,588 69	
Quarter ended June 30, 1882.....	5,083,144 32	11,657,377 13
Total ordinary receipts.....		403,525,250 28
Cash in Treasury June 30, 1881.....		252,506,023 46
Total.....		656,031,273 74

TABLE B.—STATEMENT of the NET DISBURSEMENTS (by warrants) during the fiscal year ended June 30, 1882.

CIVIL.		
Congress	\$5,542,952 10	
Executive	7,296,822 95	
Judiciary	3,560,857 50	
Government of Territories	214,338 70	
Subtreasuries	590,185 47	
Public land offices	732,370 57	
Inspection of steam vessels	928,571 46	
Mint and assay offices	185,458 88	
Total civil		\$18,042,386 42
FOREIGN INTERCOURSE.		
Diplomatic salaries	348,215 70	
Consular salaries	400,806 87	
Contingencies of consulates	147,299 14	
Rescuing American seamen from shipwreck	2,467 59	
American and Spanish Claims Commission	7,924 96	
Contingent expenses of foreign missions	105,470 21	
Shipping and discharging seamen	5,513 50	
Prisons for American convicts	20,110 62	
Expenses under the neutrality act	2,100 00	
American and French Commission	111,627 10	
International Bimetallie Commission	19,654 40	
Publication of commercial and consular reports	18,033 22	
Contingent and miscellaneous	26,541 88	
Total foreign intercourse		1,307,583 19
MISCELLANEOUS.		
Mint establishment	1,290,752 37	
Coast Survey	538,863 09	
Light-House Establishment	1,776,420 02	
Building and repairs of light-houses	615,726 50	
Refunding excess of deposits for unascertained duties	3,680,845 77	
Revenue-cutter service	846,423 34	
Life-saving service	598,024 59	
Custom-houses, court-houses, post-offices, &c.	2,399,100 29	
Furniture, fuel, &c., for public buildings under Treasury Department ..	817,611 13	
Repairs and preservation of buildings under Treasury Department ..	226,658 33	
Collecting customs revenue	6,349,595 67	
Debenture and drawbacks under customs laws	2,093,086 72	
Marine Hospital Establishment	468,129 16	
Compensation in lieu of moiety	30,628 82	
Assessing and collecting internal revenue	4,097,241 34	
Punishing violations of internal-revenue laws	54,530 16	
Internal-revenue stamps, papers, and dies	540,608 27	
Refunding duties erroneously or illegally collected	59,824 58	
Internal-revenue allowances and drawbacks	43,779 30	
Redemption of internal-revenue stamps	25,565 91	
Expenses national currency	123,925 01	
Suppressing counterfeiting and fraud	84,894 10	
Contingent expenses, Independent Treasury	96,044 26	
Survey of public lands	314,701 61	
Five per cent. fund, &c., to States	87,035 39	
Postage	171,358 40	
Vaults, safes, and locks for public buildings	56,176 76	
Indemnity for swamp lands	126,677 50	
Building revenue cutters	61,005 87	
Preparation, &c., of food-fishes	298,168 19	
Geological survey of Territories	155,546 15	
Deposits by individuals for surveys of public lands	1,385,291 24	
National Board of Health	109,009 00	
Expenses of Eighth, Ninth, and Tenth Census	664,841 65	
Payment of judgments, Court of Claims	596,051 31	
Mail transportation, Pacific Railroads	546,786 83	
Department of Agriculture	246,867 41	
Patent Office	126,726 21	
Expenses of Bureau of Engraving and Printing	359,887 60	
Smithsonian Institution	129,268 04	
Completion of the Washington Monument	166,000 00	
Public buildings and grounds in Washington	315,705 55	
Annual repairs of the Capitol	87,555 20	
Improving and lighting Capitol grounds	94,776 05	
State, War, and Navy Department's building	329,898 09	
Columbian Institute for Deaf and Dumb	61,747 07	
Government Hospital for the Insane	154,000 00	
Freedman's Hospital	55,774 39	
Howard University	16,000 00	
Support and treatment of transient paupers	15,000 00	
Redemption of District of Columbia securities	1,187 26	
Refunding taxes, District of Columbia	4,664 66	
Water fund, District of Columbia	105,636 08	
Special tax fund	13,790 00	
Expenses of District of Columbia	3,144,216 29	
Washington Aqueduct	19,618 94	

TABLE B.—STATEMENT of the NET DISBURSEMENTS (by warrants) during the fiscal year ended June 30, 1882—Continued.

MISCELLANEOUS—Continued.	
Charitable institutions.....	\$166,768 64
Depredations on public timber.....	42,147 04
Furniture, &c., National Museum.....	104,871 65
Purchase Freedmen's Bank.....	250,000 00
Miscellaneous.....	452,510 77
Total miscellaneous.....	\$37,860,781 37
INTERIOR DEPARTMENT.	
Indians.....	9,736,717 49
Pensions.....	61,345,193 95
Total Interior Department.....	71,081,941 35
MILITARY ESTABLISHMENT.	
Pay Department.....	12,381,249 31
Commissary Department.....	2,337,374 92
Quartermaster's Department.....	11,554,898 26
Medical Department.....	395,641 33
Ordnance Department.....	1,644,110 71
Military Academy.....	95,756 36
Improving rivers and harbors.....	11,412,921 59
Survey of Territories west of the one hundredth meridian.....	7,500 00
Contingencies.....	29,482 57
Expenses of recruiting.....	94,296 03
Signal Service.....	385,389 46
Expenses of military convicts.....	68,876 97
Publishing the official records of the rebellion.....	69,490 00
Support of National Home for Disabled Volunteers.....	916,475 61
Support of Soldiers' Home.....	76,071 20
Construction of military posts, roads, &c.....	243,024 92
Fortifications.....	221,441 96
National cemeteries.....	211,611 65
Fifty per cent. arrears of Army transportation due certain railroads.....	178,179 18
Construction of military telegraphs.....	74,759 29
Bounty to soldiers, act July 28, 1866.....	63,518 50
Survey of Northern and Northwestern lakes.....	17,651 60
Bounty to volunteers.....	249,975 46
Mississippi River Commission.....	135,000 00
Supplies 50 sufferers by the overflow of the Mississippi River.....	365,278 35
Claims for quartermasters' and commissary supplies.....	276,497 54
Operating and care of Louisville and Portland Canal.....	44,562 91
Miscellaneous.....	89,461 61
Total military establishment.....	43,570,494 19
NAVAL ESTABLISHMENT.	
Pay and contingencies of the Navy.....	7,779,635 45
Marine Corps.....	852,470 90
Naval Academy.....	213,272 78
Navigation.....	238,321 48
Ordnance.....	297,685 41
Equipment and Recruiting.....	961,332 24
Yards and Docks.....	1,119,776 88
Medicine and Surgery.....	177,492 72
Construction and Repair.....	1,450,361 79
Provisions and Clothing.....	1,267,020 80
Steam Engineering.....	870,748 50
	15,228,113 05
Deduct excess of repayments over expenditures.....	196,066 79
Total naval establishment.....	15,032,046 26
Interest on the public debt.....	71,077,206 75
Total net ordinary expenditures.....	237,981,439 37
Redemption of the public debt.....	150,700,575 56
Total expenditures.....	488,682,015 12
Cash in Treasury June 30, 1882.....	247,849,258 62
Total.....	656,081,273 74

TABLE C.—*STATEMENT of the ISSUE and REDEMPTION of LOANS and TREASURY NOTES (by warrants) for the fiscal year ended June 30, 1882.*

	Issues.	Redemptions.	Excess of issues.	Excess of redemptions.
Loan of 1858, act of June 14, 1858.....		\$1,000 00		\$1,000 00
Loan of February, 1861, act of February 8, 1861.....		303,000 00		303,000 00
Oregon war debt, act of March 2, 1861.....		675,250 00		675,250 00
Loan of July and August, 1861, acts of July 17 and August 5, 1861.....		117,787,900 00		117,787,900 00
Old demand notes, acts of July 17 and August 5, 1861, and July 12, 1862.....		840 00		840 00
Five-twenties of 1862, act of February 25, 1862.....		2,100 00		2,100 00
Legal-tender notes, acts of February 25 and July 11, 1862, January 7 and March 3, 1863.....	\$79,520,424 00	79,520,424 00		
Fractional currency, acts of July 17, 1862, March 3, 1863, and June 30, 1864.....		58,705 55		58,705 55
Coin certificates, act of March 3, 1863.....		745,800 00		745,800 00
One-year notes of 1863, act of March 3, 1863.....		2,470 00		2,470 00
Two-year notes of 1863, act of March 3, 1863.....		2,550 00		2,550 00
Compound interest notes, acts of March 3, 1863, and June 30, 1864.....		9,290 00		9,290 00
Loan of 1863, act of March 3, 1863, and June 30, 1864.....		7,110,750 00		7,110,750 00
Ten-forties of 1864, act of March 3, 1864.....		254,550 00		254,550 00
Five-twenties of June, 1864, act of June 30, 1864.....		7,400 00		7,400 00
Seven-thirties of 1864 and 1865, acts of June 30, 1864, and March 3, 1865.....		3,200 00		3,200 00
Five-twenties of 1865, act of March 3, 1865.....		6,500 00		6,500 00
Consols of 1865, act of March 3, 1865.....		86,450 00		86,450 00
Consols of 1867, act of March 3, 1865.....		408,250 00		408,250 00
Consols of 1868, act of March 3, 1865.....		141,400 00		141,400 00
Funded loan of 1881, acts of July 14, 1870, January 20, 1871, and January 14, 1875.....		39,419,900 00		39,419,900 00
Funded loan of 1907, acts of July 14, 1870, January 20, 1871, and January 14, 1875.....	225,300 00		\$225,300 00	
Certificates of deposit, act of June 8, 1872.....	16,900,000 00	15,505,000 00	1,395,000 00	
Silver certificates, act of February 28, 1878.....	24,300,000 00	9,369,820 00	14,930,180 00	
Refunding certificates, act of February 26, 1879.....		223,750 00		223,750 00
Total.....	120,945,724 00	271,646,299 55	16,550,480 00	167,251,055 55
Excess of redemptions.....				167,251,055 55
Excess of issues.....				16,550,480 00
Net excess of redemptions charged in receipts and expenditures.....				150,700,575 55

TABLE D.—*STATEMENT of the NET RECEIPTS and DISBURSEMENTS (by warrants) for the quarter ended September 30, 1882.*

RECEIPTS.

Customs	\$64,908,875 71
Sales of public lands	1,185,622 97
Internal revenue	37,760,804 58
Tax on circulation, deposits, &c., of national banks	4,492,426 39
Repayment of interest by Pacific Railroad Companies	65,774 62
Customs fees, fines, penalties, and forfeitures	422,140 09
Consular, letters patent, homestead, &c., fees	822,442 49
Proceeds of sales of government property	113,995 95
Profits on coinage, &c	1,040,119 39
Miscellaneous	1,078,004 53
Total net ordinary receipts	112,790,606 72
Balance in the Treasury June 30, 1882	217,949,256 62
Total	330,739,863 34

DISBURSEMENTS.

Customs	5,788,227 38
Internal revenue	1,443,129 47
Diplomatic service	440,161 46
Quarterly salaries	100,410 75
Treasury proper	6,716,737 19
Judiciary	1,072,147 14
Interior (civil)	2,070,805 06
Total civil and miscellaneous	17,640,618 36
Indians	2,633,778 88
Pensions	23,307,244 51
Military Establishment	14,181,058 69
Naval Establishment	4,571,451 83
Interest on public debt	17,219,246 19
Total	78,643,348 46
Redemption of the public debt	40,696,780 00
Balance in Treasury, September 30, 1882	241,399,728 48
Total	360,139,865 94

STATEMENT of the PUBLIC DEBT, including ACCRUED INTEREST thereon, less cash in the Treasury on the 1st day of July of each year, from 1869 to 1882, compiled from the published monthly debt-statements of those dates.

Years.	Outstanding principal.	Accrued interest.	Cash in the Treasury.	Debt less cash in the Treasury.
July 1, 1869	*\$2,597,722,983 37	\$47,447,310 79	\$156,167,813 58	\$2,489,002,480 58
1870	*2,601,675,127 83	50,607,556 52	265,924,084 61	2,386,358,599 74
1871	2,353,211,332 32	45,036,766 23	106,217,263 65	2,292,030,834 90
1872	2,253,251,328 78	41,705,813 27	103,470,798 43	2,191,486,343 62
1873	2,234,482,993 20	42,356,652 82	129,020,932 45	2,147,818,713 57
1874	2,251,690,468 43	38,939,087 47	147,541,314 74	2,143,688,241 16
1875	2,232,284,531 95	38,647,556 19	142,243,361 82	2,128,688,726 32
1876	2,180,395,067 15	38,514,004 54	119,469,726 70	2,099,439,344 99
1877	2,205,301,392 10	40,882,791 89	156,025,960 73	2,060,158,223 26
1878	2,256,205,892 53	36,404,551 37	256,823,612 08	2,035,786,831 82
1879	2,349,567,482 04	30,792,351 34	353,152,577 01	2,027,207,256 37
1880	2,120,415,370 63	22,845,547 59	201,088,622 88	1,942,172,295 34
1881	2,069,013,569 58	20,948,657 75	249,363,415 35	1,840,598,111 98
1882	1,918,312,994 03	13,890,986 47	243,289,519 78	1,688,914,460 72

It will be noticed that there is a difference in the amounts represented by these two statements as the principal of the debt July 1, 1869, and July 1, 1870. This difference is explained thus: In the principal of the debt as shown by the monthly debt-statements of these dates, the bonds purchased for the sinking-fund and paid for from money in the Treasury, were included as a part of the outstanding debt and were also treated in the cash as a cash item, or asset, for the reason that at that time there was no authority or law for deducting them from the outstanding debt. Congress, by the sixth section of the act of July 14, 1870, directed that these bonds should be canceled and destroyed and deducted from the amount of each class of the outstanding debt to which they respectively belonged, and such deductions were accordingly made on the books of the department and in the table of the debt in the annual report.

PAPERS

ACCOMPANYING

THE REPORT OF SECRETARY OF THE TREASURY.

REPORT OF THE COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT,
OFFICE OF INTERNAL REVENUE,
Washington, November 25, 1882.

SIR: I have the honor to submit the annual report of the Commissioner of Internal Revenue for the fiscal year ended June 30, 1882, with additional information relative to the operations of the Bureau during the months of July, August, September, and October of the present fiscal year, and accompanied by an appendix* of tabular statements as follows:

Table A, showing the receipts from each specific source of revenue, except adhesive stamps, and the amounts refunded in each collection district, State, and Territory of the United States, for the fiscal year ended June 30, 1882.

Table B, showing the number and value of internal-revenue stamps ordered monthly by the Commissioner and from the office of the Commissioner; the receipts from the sale of stamps and the commissions allowed thereon; also the number and value of stamps for special taxes, tobacco, cigars, cigarettes, snuff, distilled spirits, and fermented liquors, issued monthly to collectors during the fiscal year ended June 30, 1882.

Table C, showing the percentages of receipts from the several general sources of revenue in each State and Territory of the United States to the aggregate receipts from the same sources, by fiscal years, from July 1, 1863, to June 30, 1882.

Table D, showing the aggregate receipts from all sources in each collection district, State, and Territory of the United States, by fiscal years, from September 1, 1862, to June 30, 1882.

Table E, showing the receipts in the United States from each specific source of revenue, by fiscal years, from September 1, 1862, to June 30, 1882.

Table F, showing the ratio of receipts in the United States from specific sources of revenue to the aggregate receipts from all sources, by fiscal years, from July 1, 1863, to June 30, 1882.

Table G, showing the returns of distilled spirits, fermented liquors, manufactured tobacco, snuff, cigars, and cigarettes, under the several acts of legislation and by fiscal years, from September 1, 1862, to June 30, 1882.

Table H, showing the receipts from special taxes in each collection district, State, and Territory for the special-tax year ended April 30, 1882.

Table I. Abstract of reports of district attorneys concerning suits and prosecutions under the internal-revenue laws during the fiscal year ended June 30, 1882.

Table K. Abstract of seizures of property for violation of internal-revenue laws during the fiscal year ended June 30, 1882.

* The appendix here referred to is omitted from this volume for want of space, but it will be found in the bound volumes of the Commissioner's report.

REDUCTION OF TAXATION.

The receipts from internal-revenue taxation have year by year increased, from \$113,000,000 in the fiscal year 1879, to \$124,000,000 in 1880, to \$135,000,000 in 1881, and to \$146,500,000 (in round figures) in the fiscal year last ended. There will probably be some diminution in the receipts for the present fiscal year as compared with last year, but it is not likely that the collections of internal revenue for the current year will fall below \$145,000,000 should the taxes now imposed be retained.

It is an old and sound maxim that no more revenue should be raised than is necessary for an economical administration of the government and a gradual reduction of the public debt. Although taxation may be so wisely adjusted as not to operate as a severe burden upon the people, when the amount collected is beyond the actual needs of the government there is presented a constant temptation to extravagance in appropriations. Another consideration attending the existing overflowing condition of the public Treasury cannot have failed to attract your notice. If the present rate of paying the principal of the public debt be continued, all the bonds subject to call will be paid within three years; after which time the government will be compelled, in order to dispose of its surplus revenue, to buy in open market the $4\frac{1}{2}$ per cent. bonds which fall due in 1891, or the 4 per cent. bonds which fall due in 1907. Should the government thus become an active purchaser of these bonds before maturity it seems clear that they would advance in price to 25 or 30 per cent. premium, to pay which would certainly be regarded as a waste of the people's money. It seems to me judicious that the principal of the public debt should be extinguished, as was originally contemplated, only at the rate necessary to meet the requirements of the sinking fund, viz, to the extent of about \$55,000,000 per annum. Therefore, it becomes obvious that a reduction of from seventy to eighty millions in the annual revenues of the country could be safely entered upon, and in my judgment such a reduction is urgently called for. I respectfully offer some suggestions for your consideration in this regard.

Sound policy would seem to require that in remitting taxation the relief should fall as far as possible upon those articles which are necessities of life, and upon those interests which are of pressing importance to the country. The great bulk of internal-revenue taxation is derived from distilled spirits (about nine-tenths of which are used as a beverage), malt liquors, tobacco, and cigars. These are not articles of necessary consumption, but are articles of luxury, the taxes upon which are really paid by the consumers, and no one need consume them. I am strongly of the opinion that, so long as the principle of deriving part of the revenue of the government from internal taxation is retained, these articles, and the dealers therein, are proper subjects for taxation. There is no demand on the part of consumers of these products for the remission of the taxes imposed upon them; there is no public sentiment calling for their repeal; on the contrary, the general current of public opinion seems to be in favor of their retention.

The other objects of internal-revenue taxation, with the amounts realized therefrom during the past fiscal year, are as follows:

Friction matches.....	\$3, 272, 258 00
Patent medicines, perfumery, &c.....	1, 978, 395 56
Bank checks.....	2, 318, 455 14
Bank deposits.....	4, 007, 701 98
Savings-bank deposits.....	88, 400 47
Bank capital.....	1, 138, 340 87
Savings-bank capital.....	14, 729 38
Total.....	12, 818, 281 40

Add to these items the taxes collected by the Treasurer of the United

States from national banks, as follows:

National banks (deposits)	\$5,521,927 47
National banks (capital)	437,774 90

Makes a total derived from these sources of 18,777,983 77

As suggested in my report for 1880, these taxes should, in my opinion, be repealed. The tax on friction matches is more or less felt in every household. The tax on savings-bank deposits is a tax on thrift. The tax on patent medicines, perfumeries, and cosmetics is vexatious, being levied upon innumerable articles. The taxes on bank capital, bank deposits, and bank checks are not needed for purposes of revenue, and can therefore be dispensed with, and the latter tax is largely amenable to the objection made to the tax on deposits in savings banks—that it is an impost laid upon the practice of economy, which it should be the design of all good governments to encourage.

The repeal of these taxes would greatly simplify the internal-revenue system. Then, if to the eighteen and three-quarter millions of reduction thus proposed Congress should add a reduction in the charges for special taxes to dealers in articles taxed for internal revenue substantially as proposed in the bill now pending before the Senate, a still further diminution of taxation would be attained, and the supervision over dealers in taxable articles, which experience has shown to be necessary in order to fully and fairly collect the taxes from all alike, would still be preserved.

Reducing all these special taxes 40 per cent., the remissions under this head would be as follows, on the basis of last year's collections:

Special-tax payers.	Present rates.	Proposed rates.	Annual reduction.
Rectifiers:			
First class	\$200	\$120	} \$70,665
Second class	100	60	
Wholesale liquor dealers	100	60	169,629
Retail liquor dealers	25	15	1,687,703
Manufacturers of stills	50	30	586
Stills or worms manufactured	20	12	2,043
Brewers:			
First class	100	60	} 76,852
Second class	50	30	
Wholesale dealers in malt liquors	50	30	43,724
Retail dealers in malt liquors	20	12	64,044
Manufacturers of cigars	10	6	55,975
Manufacturers of tobacco	10	6	3,483
Dealers in leaf tobacco	25	15	30,348
Dealers in leaf tobacco not over 25,000 pounds	5	3	3,705
Dealers in manufactured tobacco	5	3	789,386
Peddlers of tobacco:			
First class	50	30	} 9,722
Second class	25	15	
Third class	15	9	
Fourth class	10	6	
Total			3,007,905

The act of March 1, 1879, reduced the tax on tobacco from 24 cents per pound to 16 cents per pound, but did not reduce the tax on cigars and cigarettes. A corresponding reduction on cigars would be to \$4 per thousand, and on cigarettes to \$1.20 per thousand. This, I think, should be done, and would amount to a reduction of taxes of \$6,746,000.

This would make a total reduction of internal-revenue taxes (including the taxes on national banks) as follows:

Matches, medicines, perfumery, and banks	\$18,777,983 77
Special taxes	3,007,905 00
Cigars and cigarettes	6,746,000 00

Total 28,531,888 77

While it is undoubtedly deemed advisable by many that there should be a revision of the tariff, it is unquestionably the case that it is not possible to foresee the effect which a reduction of the rate of duties on many of the great lines of importation would have upon the receipts from customs. It is contended that a reduction of duty upon many articles would so increase the importation of them as to yield an actual increase of revenue. The demand of the hour is for legislation that will reduce the receipts of the government. I venture to suggest whether it is not desirable to consider the practicability of taking the duty off sugar. About 2,200,000,000 pounds of sugar are annually consumed in the United States, 10 per cent. of which is produced in this country. Upon the 2,000,000,000 pounds imported, the government realizes a revenue of \$49,000,000. Sugar is one of the necessities of life; it is consumed in every household. Should this duty be removed, there would be not only a certain and large reduction of revenue, but the benefit of that reduction would immediately inure to the people. The best refined sugar, which now sells at 10 cents a pound retail, could be sold at seven cents if the duty were removed, and the total reduction would amount to very nearly one dollar per capita per annum of the entire population of the country.

The objection to this measure would be the abolition of the protection now afforded to the sugar interests of Louisiana and other States. This difficulty might be met by giving a bounty of, say, two and one-half cents per pound upon all home-produced sugar. The cultivation of sugar in this country is not a rapidly-growing industry; there is no prospect that the production of cane sugar will ever bear a greater proportion to the consumption than at present. If the area of the lands suitable for the growth of sugar-cane was large, and the industry was one which would develop rapidly under the encouragement of protective legislation, so that the constantly growing demand for sugar would be overtaken and supplied by a home product, the question would be very different; but such is not the case. Sugar-cane is a tropical plant, and its cultivation in the United States is confined to a small portion of Louisiana, Florida, and Texas, and where grown it is subject to the hazards of frosts and floods, so that a maximum crop is not produced oftener than every other year, as will be seen from the following figures, which show the quantities of sugar and molasses produced for the years named:

Years.	Sugar.	Molasses.
	<i>Hogsheads.</i>	<i>Gallons.</i>
1859-'60.....	230, 982	14, 963, 996
1877-'78.....	136, 878	18, 983, 040
1878-'79.....	228, 451	17, 624, 539
1879-'80.....	178, 872	16, 573, 273
1880-'81.....	233, 908	20, 340, 038

The quantity of sugar imported during the fiscal year 1861 was 511,000,000 pounds, while the quantity imported during the fiscal year 1882 was 1,900,000,000 pounds. It is thus seen that while the home product has not increased in twenty-one years, the importations have increased almost fourfold.

I apprehend if sugar were not produced in this country Congress would not hesitate to remove the duty from imported sugar as the best means of reducing taxation. The present law gives to the sugar planters of this country, indirectly, about \$4,000,000 or \$5,000,000 per annum. My proposition would be to give them this amount directly and let the whole people have the benefit of the reduction of taxation of, say, \$49,000,000, which would in this way be effected.

The principle of paying a bounty for the encouragement and development of American industry is not new; it was adopted in the case of our fisheries as early as 1813, and was continued for more than fifty years. Millions of dollars have been paid out during this period to American fishermen for fish caught and exported, and we are still giving to this industry the bonus of allowing them to withdraw salt free of duty and of requiring from them no tonnage dues. As a matter of principle, a bounty to our sugar interests would, in my opinion, be no more objectionable than similar encouragement to our fisheries.

These reductions, if made, would amount to \$77,531,888.

Detailed information is subjoined of the amount of internal revenue collected during the past year, and for the first four months of the present fiscal year; of the sources whence that revenue was derived; of the States and districts in which the collections were made during the past year, and as to the cost of collection, &c.

COMPARATIVE RECEIPTS FOR LAST TWO FISCAL YEARS.

The receipts from the several objects of internal-revenue taxation during the last two fiscal years have been as follows:

Sources of revenue.	Receipts for 1881.	Receipts for 1882.	Increase.	Decrease.
SPIRITS.				
Spirits distilled from fruit.....	\$1,531,075 83	\$1,095,164 60		\$435,911 23
Spirits distilled from grain, molasses, &c.	60,683,051 73	63,683,592 37	\$3,000,540 64	
Rectifiers.....	170,145 99	184,483 67	14,337 68	
Retail liquor dealers.....	4,322,298 21	4,455,355 55	133,057 34	
Wholesale liquor dealers.....	418,813 68	439,018 86	20,205 18	
Miscellaneous.....	28,589 44	15,793 13		12,796 31
Total of spirits.....	67,153,974 88	69,873,408 18	2,719,433 30	
TOBACCO.				
Cigars.....	16,095,724 78	18,245,852 37	2,150,127 59	
Cigarettes.....	992,981 22	972,570 10		20,411 12
Snuff.....	689,183 03	778,650 87	89,467 84	
Tobacco, chewing and smoking.....	22,833,287 60	25,033,741 97	2,200,454 37	
Dealers in leaf tobacco.....	76,996 76	76,399 15		687 61
Dealers in manufactured tobacco.....	1,976,071 55	2,094,536 21	118,464 66	
Manufacturers of tobacco and cigars.....	151,442 57	152,622 14	1,179 57	
Peddlers of tobacco.....	26,258 13	22,875 22		3,382 91
Miscellaneous.....	13,045 67	14,830 88	1,785 21	
Total of tobacco.....	42,854,991 31	47,391,988 91	4,536,997 60	
FERMENTED LIQUORS.				
Ale, beer, lager beer, and porter.....	13,237,700 63	15,680,678 54	2,442,977 91	
Brewers' special tax.....	195,308 52	195,824 31	515 79	
Dealers in malt liquors.....	267,232 06	277,417 57	10,185 51	
Total of fermented liquors.....	13,700,241 21	16,153,920 42	2,453,679 21	
BANKS AND BANKERS.				
Bank deposits.....	2,946,906 64	4,096,102 45	1,149,195 81	
Bank capital.....	811,006 35	1,153,070 25	342,063 90	
Bank circulation.....	4,295 08	4,285 77		9 31
Total of banks and bankers.....	8,762,208 07	5,253,458 47	1,491,250 40	
MISCELLANEOUS.				
Bank checks.....	2,253,411 20	2,318,455 14	65,043 94	
Friction matches.....	3,278,580 62	3,272,258 00		6,322 62
Patent medicines, perfumery, cosmetics, &c.....	1,843,263 90	1,978,305 56	135,131 66	
Penalties.....	231,078 21	199,830 64		31,248 17
Collections not otherwise provided for.....	152,162 90	81,559 00		70,603 90
Total of miscellaneous.....	7,758,496 83	7,850,497 74	92,000 91	
Aggregate receipts.....	135,229,912 30	146,523,278 72	11,293,366 42	

The quantities of distilled spirits, fermented liquors, manufactured tobacco, snuff, cigars, and cigarettes on which tax was paid during the same periods were as follows:

Products taxed.	Fiscal years ended June 30—		Increase.	Decrease.
	1881.	1882.		
Number of gallons of spirits distilled from fruit.....	1,701,206	1,216,850	.....	484,356
Number of gallons of spirits distilled from grain, molasses, and other materials.....	67,426,000	70,759,548	3,333,548	.....
Number of cigars.....	2,682,620,797	3,040,975,395	358,354,598	.....
Number of cigarettes.....	567,395,983	554,544,186	.....	12,851,797
Number of pounds of snuff.....	4,307,394	4,866,568	559,174	.....
Number of pounds of tobacco.....	142,706,011	156,458,033	13,752,022	.....
Number of barrels of fermented liquors..	14,311,028	16,952,085	2,641,057	.....

RECEIPTS FOR FIRST FOUR MONTHS OF PRESENT FISCAL YEAR.

The receipts for the first four months of the present fiscal year compared with the corresponding months of the past fiscal year have been as follows:

Sources of revenue.	Receipts from July 1, 1881, to October 31, 1881.	Receipts from July 1, 1882, to October 31, 1882.	Increase.	Decrease.
SPIRITS.				
Spirits distilled from apples, peaches, or grapes.....	\$396,540 85	\$371,387 17	.....	\$25,153 68
Spirits distilled from materials other than apples, peaches, or grapes.....	22,427,887 60	22,089,470 43	.....	338,417 17
Wine made in imitation of champagne, &c. Rectifiers (special tax).....	10,420 87	14,937 52	\$4,516 65	.....
Dealers, retail liquor (special tax).....	356,507 52	370,792 11	14,284 59	.....
Dealers, wholesale liquor (special tax).....	27,112 59	30,083 41	2,970 82	.....
Manufacturers of stills, and stills and worms manufactured (special tax).....	2,716 68	2,103 34	.....	613 34
Stamps for distilled spirits intended for export.....	2,413 00	590 60	.....	1,822 40
Total.....	23,223,599 11	22,879,364 58	.....	344,234 53
TOBACCO.				
Cigars and cheroots.....	6,405,640 64	6,968,197 36	562,556 72	.....
Cigarettes.....	346,694 87	403,195 21	56,500 34	.....
Manufacturers of cigars (special tax).....	7,055 65	6,631 95	.....	423 70
Snuff of all descriptions.....	290,149 25	302,092 33	11,943 08	.....
Tobacco, manufactured, of all descriptions. Stamps for tobacco, snuff, and cigars intended for export.....	10,248,892 01	9,135,770 56	.....	1,113,121 45
Dealers in leaf tobacco, not over 25,000 pounds (special tax).....	1,984 60	877 97	.....	1,106 63
Dealers in leaf tobacco (special tax).....	1,000 46	779 61	.....	220 85
Retail dealers in leaf tobacco (special tax).....	5,999 96	4,456 24	.....	1,543 72
Dealers in manufactured tobacco (special tax).....	583 34	291 67	.....	291 67
Manufacturers of tobacco (special tax).....	185,869 46	190,732 94	4,863 48	.....
Peddlers of tobacco (special tax).....	485 85	329 62	.....	156 23
Total.....	2,913 36	2,275 67	.....	637 69
Total.....	17,497,269 45	17,015,631 13	.....	481,638 32
FERMENTED LIQUORS.				
Fermented liquors, tax of \$1 per barrel on..	6,033,246 03	6,306,977 23	273,731 20	.....
Brewers (special tax).....	6,795 96	5,273 26	.....	1,522 70
Dealers in malt liquors (special tax).....	42,849 17	41,776 37	.....	1,072 80
Total.....	6,082,891 16	6,354,026 86	271,135 70	.....

Sources of revenue.	Receipts from July 1, 1881, to October 31, 1881.	Receipts from July 1, 1882, to October 31, 1882.	Increase.	Decrease.
BANKS AND BANKERS.				
Bank deposits	\$714,684 11	\$794,449 59	\$79,765 48	
Savings-bank deposits	33,401 29	28,245 79		\$5,155 50
Bank capital	363,350 04	235,461 82		127,888 22
Savings-bank capital	4,339 67	3,546 34		793 33
Bank circulation	4 29	17 13	12 84	
Notes of persons, State banks, towns, cities, &c., paid out	2,402 45	4 14		2,398 31
Total	1,118,181 85	1,061,724 81		56,457 04
MISCELLANEOUS.				
Adhesive stamps	2,869,644 95	3,161,562 11	291,917 16	
Penalties	52,360 24	82,014 52	29,654 28	
Collections not otherwise herein provided for	34,913 27	5,806 66		29,106 61
Total	2,956,918 46	3,249,383 29	292,464 83	
Aggregate receipts	50,878,860 03	50,560,130 67		318,729 36

COLLECTIONS BY DISTRICTS DURING PAST FISCAL YEAR.

Following were the collections in each district of the United States during the fiscal year ended June 30, 1882:

Collection districts.	Names of collectors.	Aggregate col- lections.
First Alabama	Albion L. Morgan	\$73,504 25
Second Alabama	James T. Rapier	67,028 67
Arizona	Thomas Cordis	45,464 31
Arkansas	Edward Wheeler	32,079 92
Do	Henry M. Cooper	76,959 44
First California	Chancellor Hartson	3,814,692 80
Fourth California	Amos L. Frost	312,484 05
Colorado	James S. Wolfe	247,264 09
First Connecticut	Joseph Selden	263,811 83
Second Connecticut	David F. Hollister	301,989 45
Dakota	John L. Pennington	67,436 83
Delaware	James McIntire	350,906 37
Florida	Dennis Eagan	280,227 32
Second Georgia	Andrew Clark	241,404 76
Do	Walter H. Johnson	22,589 46
Third Georgia	Edward C. Wade	95,596 66
Idaho	Ronello W. Berry	31,908 27
First Illinois	Joel D. Harvey	10,466,026 54
Second Illinois	Lucien B. Crooker	261,351 75
Third Illinois	Albert Woodcock	676,981 44
Fourth Illinois	Richard Rowett	1,247,764 75
Fifth Illinois	Howard Knowles	13,267,988 65
Seventh Illinois	John W. Hill	75,595 53
Eighth Illinois	Jonathan Merriam	1,429,100 26
Thirteenth Illinois	Jonathan C. Willis	627,555 45
First Indiana	James C. Veatch	253,745 04
Fourth Indiana	Will Cumbaek	3,439,301 55
Sixth Indiana	Frederick Baggs	1,164,648 63
Seventh Indiana	Delos W. Minshall	1,306,064 77
Tenth Indiana	George Moon	196,885 66
Eleventh Indiana	John F. Wildman	104,111 19
Second Iowa	John W. Green	421,389 23
Third Iowa	James E. Simpson	321,618 32
Fourth Iowa	John Connell	184,738 87
Fifth Iowa	Lampson P. Sherman	916,167 32
Kansas	John C. Carpenter	264,613 95
Second Kentucky	William A. Stuart	955,621 75
Fifth Kentucky	William S. Wilson	4,619,227 68
Do	Lewis Buckner	448,493 91
Sixth Kentucky	John W. Finnell	3,405,628 55
Seventh Kentucky	Armsted M. Swope	1,281,661 39
Eighth Kentucky	William J. Landram	291,769 86
Ninth Kentucky	John E. Blaine	169,660 64

Collection districts.	Names of collectors.	Aggregate col- lections.
Louisiana.....	Morris Marks.....	\$918,899 19
Maine.....	Franklin J. Rollins.....	85,259 83
Third Maryland.....	Robert M. Proud.....	2,062,009 47
Fourth Maryland.....	Webster Bruce.....	160,228 81
Third Massachusetts.....	Charles W. Slack.....	1,601,844 13
Fifth Massachusetts.....	Charles C. Dame.....	933,919 13
Tenth Massachusetts.....	Edward R. Tinker.....	401,595 81
First Michigan.....	Luther S. Trowbridge.....	1,362,945 87
Third Michigan.....	Harvey B. Rowleson.....	273,718 46
Fourth Michigan.....	Sluman S. Bailey.....	164,576 96
Sixth Michigan.....	Henry C. Ripley.....	201,949 76
First Minnesota.....	Albert C. Wedge.....	125,071 40
Second Minnesota.....	William Bickel.....	403,420 54
Mississippi.....	James Hill.....	94,098 90
First Missouri.....	Isaac H. Sturgeon.....	6,186,922 72
Second Missouri.....	Alonzo B. Carroll.....	65,405 90
Fourth Missouri.....	Rynd E. Lawder.....	501,833 39
Fifth Missouri.....	David H. Budlong.....	15,454 84
Do.....	Bryan H. Langston.....	138,281 62
Sixth Missouri.....	Philip Doppler.....	634,589 47
Montana.....	Thomas P. Fuller.....	68,001 31
Nebraska.....	Lorenzo Crouse.....	1,108,191 15
Nevada.....	Frederick C. Lord.....	49,103 93
New Hampshire.....	Andrew H. Young.....	236,429 79
Do.....	Henry M. Putney.....	113,512 25
First New Jersey.....	William P. Tate.....	305,040 48
Third New Jersey.....	Culver Barclaw.....	459,988 40
Fifth New Jersey.....	Robert B. Hathorn.....	4,686,604 72
New Mexico.....	Gustavus A. Smith.....	55,903 38
First New York.....	Rodney C. Ward.....	2,944,084 80
Second New York.....	Marshall B. Blake.....	4,206,252 54
Third New York.....	Max Weber.....	6,782,211 13
Eleventh New York.....	Moses D. Stivers.....	180,625 31
Twelfth New York.....	Jason M. Johnson.....	627,261 92
Fourteenth New York.....	Ralph P. Lathrop.....	620,596 47
Fifteenth New York.....	Thomas Stevenson.....	346,397 30
Twenty-first New York.....	James C. P. Kincaid.....	333,264 94
Twenty-fourth New York.....	John B. Strong.....	158,399 55
Do.....	James Chiverton (acting).....	311,457 50
Twenty-sixth New York.....	Benjamin De Voe.....	386,550 60
Twenty-eighth New York.....	Burt Van Horn.....	882,940 24
Do.....	Henry S. Pierce.....	251,600 89
Thirtieth New York.....	Frederick Buell.....	1,403,396 85
Second North Carolina.....	Elihu A. White.....	62,163 24
Fourth North Carolina.....	Isaac J. Young.....	1,022,309 00
Fifth North Carolina.....	George B. Everitt.....	1,274,767 96
Sixth North Carolina.....	John J. Mott.....	466,823 71
Do.....	Thomas N. Cooper.....	41,350 61
First Ohio.....	Amor Smith, jr.....	8,611,983 49
Do.....	William H. Taft.....	3,316,270 35
Third Ohio.....	Robert Williams, jr.....	1,621,593 77
Fourth Ohio.....	Robert P. Kennedy.....	475,943 53
Sixth Ohio.....	James Pursell.....	195,905 86
Do.....	George P. Dunham.....	104,369 47
Seventh Ohio.....	Charles C. Walcutt.....	700,260 02
Tenth Ohio.....	Clark Waggoner.....	1,021,133 71
Eleventh Ohio.....	Marcus Boggs.....	1,216,251 21
Fifteenth Ohio.....	Jewett Palmer.....	201,528 11
Eighteenth Ohio.....	Worthy S. Streater.....	894,059 79
Oregon.....	John C. Cartwright.....	88,679 82
First Pennsylvania.....	James Ashworth.....	1,702,832 12
Do.....	William J. Pollock.....	1,308,486 21
Eighth Pennsylvania.....	Joseph T. Valentine.....	689,758 24
Ninth Pennsylvania.....	Thomas A. Wiley.....	1,337,955 89
Do.....	Andrew J. Kaufman.....	112,764 12
Twelfth Pennsylvania.....	Edward H. Chase.....	423,128 51
Fourteenth Pennsylvania.....	Charles J. Bruner.....	242,351 75
Sixteenth Pennsylvania.....	Edward Scull.....	258,917 37
Nineteenth Pennsylvania.....	Charles M. Lynch.....	144,726 27
Twentieth Pennsylvania.....	James C. Brown.....	101,605 53
Twenty-second Pennsylvania.....	Thomas W. Davis.....	1,063,295 49
Do.....	Frank P. Case.....	622,130 29
Twenty-third Pennsylvania.....	John M. Sullivan.....	767,154 44
Rhode Island.....	Blisla H. Rhodes.....	229,258 48
South Carolina.....	Ellery M. Brayton.....	119,099 79
Second Tennessee.....	James M. Melton.....	118,312 99
Fifth Tennessee.....	William M. Woodcock.....	777,590 72
Eighth Tennessee.....	Robert E. Patterson.....	101,824 29
First Texas.....	William H. Sinclair.....	87,434 96
Third Texas.....	Benjamin C. Ludlow.....	84,372 68
Fourth Texas.....	Theodore Hitchcox (acting).....	11,552 43
Do.....	William Umbdenstock.....	75,072 86
Utah.....	Ovando J. Hollister.....	48,523 08

Collection districts.	Names of collectors.	Aggregate collections.
Vermont.....	John C. Stearns.....	\$56,444 58
Second Virginia.....	James D. Brady.....	1,010,101 04
Third Virginia.....	Oris H. Russell.....	2,144,886 37
Fourth Virginia.....	William L. Fernald.....	1,096,673 36
Fifth Virginia.....	J. Henry Rives.....	1,740,374 41
Sixth Virginia.....	Beverly B. Botts.....	234,273 12
Washington.....	James R. Hayden.....	40,202 57
First West Virginia.....	Isaac H. Duval.....	366,323 15
Second West Virginia.....	Francis H. Pierpont.....	135,953 41
First Wisconsin.....	Irving M. Bean.....	2,560,688 30
Second Wisconsin.....	Henry Harnden.....	198,570 39
Third Wisconsin.....	Charles A. Galloway.....	15,665 01
Do.....	Howard M. Kutchin.....	243,238 52
Sixth Wisconsin.....	Hiram E. Kelley.....	87,524 77
Do.....	Leonard Lottridge.....	87,428 23
Wyoming.....	Edgar P. Snow.....	20,385 65
Total from collectors.....		138,954,165 02
Cash receipts from sale of adhesive stamps.....		7,569,108 70
Aggregate receipts.....		146,523,273 72

ACCOUNTABILITY FOR THE PUBLIC FUNDS.

The entire amount thus collected was promptly covered into the Treasury without loss. During the past six fiscal years the sum of \$748,834,071.02 has been collected from internal-revenue taxation and paid into the Treasury without any loss by defalcation.

COST OF COLLECTION.

The cost of collection for the past fiscal year, distributed among the different items of appropriation, was approximately as follows:

For salaries and expenses of collectors, including pay of deputy collectors, clerks, &c.....	\$1,980,790 83
For salaries and expenses of revenue agents, surveyors of distilleries, gaugers, storekeepers, and miscellaneous expenses.....	* 2,256,318 37
For stamps, paper, and dies.....	565,026 23
For expenses of detecting and punishing violations of internal-revenue laws.....	52,015 95
For salaries of officers, clerks, and employes in the office of Commissioner of Internal Revenue.....	253,330 00
Total.....	5,107,481 48

The total expenses (including the expenses of this office) will be found, on final adjustment, to be less than $3\frac{1}{2}$ per cent. on the amount collected. The expenses of collection for the last six years have been about \$27,087,300, or about 3.6 per cent. on the amount collected. This sum has been disbursed without loss to the government.

* * * * *

GENERAL CONDITION OF THE SERVICE.

The condition of the service is all that can be desired. The reports of the inspecting officers show that an admirable *esprit de corps* actuates every officer in the performance of his duties.

I desire to extend my thanks to the officers of internal revenue throughout the country for their zeal and energy in bringing about this result. The thanks of this office are also due to the United States marshals for their hearty co-operation with the internal-revenue officers in enforcing the laws.

* This item is liable to be slightly increased by the payment of a few accounts not yet adjusted.

DISTILLED SPIRITS IN BOND.

Some months ago many of the leading sweet-mash distillers made an arrangement for a reduction of the producing capacity of their distilleries, and for limiting the manufacture of their line of distilled spirits to the demands of the trade. They have recently been followed by a large number of sour-mash distillers with a somewhat similar arrangement. The effect will be to cut down the production of all classes of distilled spirits to the demands of the trade.

On the 30th day of June, 1882, the spirits remaining in warehouses reached the highest point, namely, 89,962,645 gallons. Since that time there has been a gradual reduction in the amount remaining in warehouses, and on the 1st day of November, 1882, the amount was 84,628,331 gallons. This large stock mainly consists of fine grades of whisky, the tax upon which will fall due from month to month until the last withdrawal, which must be made November 6, 1885.

If the future demand for this class of goods is to be judged of by the withdrawals of similar goods tax-paid during the past few years, the stock now on hand is equal to six years' consumption. To postpone the payment of the tax on this stock until its withdrawal is required by the demands of trade, a movement has been set on foot for its exportation and reimportation, and storage in customs bonded warehouses. This is entirely practicable under existing laws, and it becomes a question whether it would not be better to afford by legislation the relief sought to be obtained by this indirect means. An extension of the bonded period for a reasonable time need not impair the security of the government for its taxes, and would in no manner tend to reduce the income of the government from this source of revenue which has up to this period resulted from the natural laws of trade and the demand for distilled spirits for consumption. By this means the expenses of transportation both ways and custom-house charges abroad would be saved.

THE ENFORCEMENT OF THE LAWS.

It affords me great pleasure to report that the supremacy of the laws of the United States for the collection of its internal revenues has been established in all parts of the country. Frauds in the manufacture and sale of whisky and tobacco in the districts where they have hitherto most prevailed have become the exception rather than the rule. There is no longer organized resistance to the authority of the government, the people render obedience to the laws, and the taxes are collected without unnecessary friction and with but little litigation. To maintain this favorable condition of things and to prevent the recurrence of frauds it will be necessary to continue the system of careful policing which has brought about this result.

I have to record with extreme regret, as signaling the closing hours of the long struggle maintained against the enforcement of the internal-revenue laws, the murder of Deputy Collector James M. Davis, near McMinnville, Tenn., in March last. Captain Davis was one of the bravest and most efficient officers engaged in the suppression of illicit distilling. Whilst on his way from court he was waylaid on the public highway in broad daylight by ten or more assassins, concealed behind an ambush of logs and bushes specially constructed for the purpose, and was deliberately murdered under circumstances of peculiar atrocity whilst bravely defending himself to the last. The place where this crime was committed is in the midst of a well-settled country. There is circumstantial evidence that the assassination was plotted in a place of public

resort not far from the scene of the murder. Citizens rode by whilst Davis's body was still warm and before his slayers were fairly out of sight, yet, though liberal rewards have been offered for the detection and arrest of the criminals, no evidence has yet been obtained upon which an arrest could be based.

PENSIONS TO WIDOWS AND ORPHANS OF OFFICERS KILLED.

The successful close of the struggle to establish and maintain the internal-revenue laws of the United States is in my opinion a fitting occasion to renew the recommendation in my last report for the granting of pensions to persons disabled while engaged in enforcing said laws, and to the widows and orphans of officers killed in the discharge of their duty. The service in which these officers were engaged was particularly hazardous. No alternative being left except to meet force with force, they were armed by the government with breech-loading carbines to protect themselves against the assaults of those who resisted its authority. In this struggle thirty-one officers and employes have been killed and sixty-four wounded. I respectfully submit that these wounded officers and the widows and orphans of those who have been slain have a just claim upon the bounty of the government, and I earnestly recommend early legislation upon the subject.

* * * * *

TERM OF OFFICE OF COLLECTORS.

I have the honor to again recommend that a law be passed fixing the term of office for collectors of internal revenue at four years, and I further recommend that said law shall provide that collectors of internal revenue shall not be subject to removal except for such causes as are designated in said law. I am satisfied that the incorporation into the civil service of the principle of a fixed term and removal for cause only, would result in a marked improvement in the public service, and would meet what seems to me a just and growing demand of public opinion.

FIXED SALARIES FOR UNITED STATES MARSHALS AND DISTRICT ATTORNEYS.

I respectfully call attention to the remarks under this head in my last annual report, and again recommend legislation in accordance with the recommendation therein contained.

REDEMPTION OF STAMPS.

I renew the recommendation made in my last two reports that that portion of section 17 of the act of March 1, 1879, which prohibits the redemption of stamps unless the same are presented within three years after their purchase from the government or a government agent for the sale of stamps, be repealed.

LEGISLATION CONCERNING MANUFACTURE OF VINEGAR.

I also renew the recommendation made in previous reports for the passage of a law prohibiting the manufacture of vinegar by the alco-

holic vaporizing process provided for in section 5 of the act of March 1, 1879, or subjecting vinegar factories using the vaporizing process to the supervision of a government storekeeper, and to a certain extent to other safeguards, as now required in the case of distillers of spirits. Further experience only confirms the opinion which I have heretofore expressed of the necessity for the indicated legislation for the protection of the revenue from dangerous frauds. Should it be deemed best to continue the present system, under suitable safeguards, it might be well to make such additional provisions as will permit the manufacturer to fully avail himself of the right to condense alcoholic vapor without the waste of material incident to the present process. The compensation of store-keeper, if provided, should be reimbursed to the government by the manufacturer.

EXAMINATION OF GLUCOSE AND METHYLATED SPIRITS.

At the request of the Committee of Ways and Means of the House of Representatives I am having an examination made of a number of samples of glucose, both dry and sirup, for the purpose of testing its saccharine qualities and healthfulness.

Tests are also being made of methylated spirits to determine whether alcohol mixed with wood naphtha can be restored to its original purity. These experiments are being made by the Academy of Sciences, and reports are now expected, when they will be transmitted for the information of the committee.

MISCELLANEOUS EXPENSES.

The act of Congress approved March 3, 1881, making provision for the legislative, executive, and judicial expenses for the year ending June 30, 1882, required the Commissioner of Internal Revenue to make a detailed statement of all miscellaneous expenditures in the Bureau of Internal Revenue, for which appropriation was made in that act. In accordance with the aforesaid requirement, I submit the following detailed statement of miscellaneous expenses incurred:

Express on public money to depositories.....	\$7, 040 51
Stationery for internal-revenue officers.....	17, 980 10
Internal-Revenue Record for internal-revenue officers.....	2, 409 80
Telegraphing.....	1, 139 77
Compensation of United States attorneys in internal-revenue cases, under sections 827 and 838, Revised Statutes.....	4, 555 60
Locks for distilleries.....	3, 922 50
Hydrometers for use in gauging spirits.....	5, 736 20
Gauging-rods for standard-test gauging, &c.....	157 45
Alcohol for scientific tests.....	82 19
Expenses of seizure and sales by collectors.....	889 04
Coin scales for use in collectors' offices.....	100 40
Traveling expenses of clerks under special orders of the department.....	1, 163 93
Rent of offices leased by the Secretary of the Treasury in New York City for the collector of the second district.....	4, 999 96
Total.....	50, 177 45

EXPENDITURES FOR THE DISCOVERY AND PUNISHMENT OF FRAUD.

In accordance with the provisions of the act making the appropriation, the following detailed statement of expenditures from the appropriation for detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws is submitted.

Amount expended through collectors of internal revenue in the employment of persons for the detection of frauds, and for information leading to the discovery of frauds, and punishment of guilty persons, as follows:

Name.	District.	Amount.
Brayton, E. M.	South Carolina	\$1,366 00
Blaine, John E.	Ninth Kentucky	178 00
Clark, Andrew	Second Georgia	2,636 00
Cooper, H. M.	Arkansas	45 00
Duval, I. H.	First West Virginia	44 00
Everitt, G. B.	Fifth North Carolina	151 86
Egan, Dennis	Florida	295 91
Harvey, J. D.	First Illinois	38 96
Hartson, C.	First California	15 00
Johnson, W. H.	Second Georgia	104 00
Landrum, W. J.	Eighth Kentucky	1,189 00
Mott, J. J.	Sixth North Carolina	408 00
Melton, J. M.	Second Tennessee	151 00
Patterson, R. F.	Eighth Tennessee	263 30
Pollock, W. J.	First Pennsylvania	251 00
Rives, J. H.	Fifth Virginia	549 50
Rapier, J. T.	Second Alabama	471 50
Stuart, W. A.	Second Kentucky	53 00
Simpson, J. E.	Third Iowa	50 00
Wilson, W. S.	Fifth Kentucky	258 20
Woodcock, W. M.	Fifth Tennessee	1,404 55
Wade, E. C.	Third Georgia	285 00
Young, I. J.	Fourth North Carolina	263 00
Total disbursed by collectors		10,471 78

Amount expended for like purpose through revenue agents as follows:

Name.	Amount.
Brooks, A. H.	\$7,724 60
Blocker, O. H.	609 63
Chapman, W. H.	1,208 88
Crane, A. M.	198 50
Creager, M. H.	352 20
Dowling, P. H.	1,475 23
Eldridge, C. W.	389 63
Grimeson, T. J.	1,121 50
Hale, J. H.	104 00
Kinney, T. J.	1,186 94
Kellogg, H.	800 95
Meyer, F.	1,645 80
McCoy, J. B.	5 30
Packard, J.	2,318 44
Raum, J. M.	1,441 54
Somerville, William	4,175 48
Spaulding, D. D.	1 50
Tracie, T. C.	683 75
Thrasher, L. A.	2,122 61
Trumbull, J. L.	178 20
Webster, E. D.	1,324 98
Wilson, G. W.	721 55
Wheeler, J. C.	56 00
Wagner, J.	237 25
Total disbursed by revenue agents	30,054 65

Amount expended by collectors	\$10,471 78
Amount expended by revenue agents	30,054 65
Rewards under circular No. 99	5,103 27
Rewards under circular of March 10, 1875	806 25
Miscellaneous	5,580 00
Total	\$52,015 95

The accounts for expenditures under this appropriation are rendered monthly, with an itemized statement, and in all cases supported by sub-vouchers duly sworn to. These accounts pass through all the accounting offices of the Treasury Department, and are filed in the Register's Office.

ESTIMATED EXPENSES FOR NEXT FISCAL YEAR.

I estimate the expenses of the Internal-Revenue Service for the fiscal year ending June 30, 1884, as follows.

For salaries and expenses of collectors	\$2, 100, 000 00
For salaries and expenses of thirty-five revenue agents, for surveyors, for fees and expenses of gaugers, for salaries of storekeepers, and for miscellaneous expenses.....	2, 300, 000 00
For dies, paper, and stamps.....	500, 000 00
For detecting and bringing to trial and punishment persons guilty of violating the internal-revenue laws, including payment for information and detection.....	75, 000 00
For salaries of officers, clerks, and employes in the office of the Commissioner of Internal Revenue	299, 190 00
Total	5, 274, 190 00

* * * * *

TOBACCO.

The total amount of collections from tobacco for the fiscal year ended June 30, 1882, was \$47,391,988.91. This amount includes the collections of internal-revenue taxes imposed upon imported manufactured tobacco, snuff, and cigars (in addition to customs duties); the taxes imposed on domestic manufactured tobacco, snuff, and cigars; the special taxes paid by manufacturers of tobacco, snuff, and cigars; the special taxes paid by dealers in leaf and dealers in manufactured tobacco; special taxes paid by peddlers of manufactured tobacco; and it also includes the receipt of money for export stamps sold to exporters of tobacco.

The collections from the several sources above-named for the last fiscal year exceed those of the fiscal year immediately preceding by the sum of \$4,536,997.60.

RECEIPTS FROM TOBACCO AND SNUFF.

Manufactured tobacco, at 16 cents per pound.....	\$25, 032, 372 19
Manufactured tobacco, at 24 cents per pound.....	1, 359 78
Snuff, at 16 cents per pound.....	778, 650 87
Total for year ended June 30, 1882.....	25, 812, 392 84
Total for year ended June 30, 1881.....	23, 522, 470 63
Increase in collections on tobacco and snuff.....	2, 289, 922 21

Of this increase \$2,200,454.37 was on chewing and smoking tobacco, and \$89,467.84 on snuff.

RECEIPTS FROM CIGARS AND CIGARETTES.

Cigars taxed at \$6 per thousand	\$18, 245, 852 37
Cigarettes taxed at \$1.75 per thousand	969, 580 30
Cigarettes taxed at \$6 per thousand	2, 989 80
Total collections for year ended June 30, 1882	19, 218, 422 47
Total collections for year ended June 30, 1881	17, 088, 706 00
Increase in collections from cigars and cigarettes	2, 129, 716 47

OTHER COLLECTIONS.

Receipts from export stamps sold year ended June 30, 1882.....	\$6,554 40
Receipts from export stamps sold year ended June 30, 1881.....	6,852 40
Decrease in sale of export stamps.....	298 00
Dealers in manufactured tobacco, year ended June 30, 1882.....	\$2,094,536 21
Dealers in manufactured tobacco, year ended June 30, 1881.....	1,976,071 55
Increase in collections from dealers in manufactured tobacco....	118,464 66
Special taxes, manufacturers of tobacco and cigars in 1882.....	\$152,622 14
Special taxes, manufacturers of tobacco and cigars in 1881.....	151,442 57
Increase special taxes, manufacturers of tobacco and cigars.....	1,179 57
Special taxes, peddlers of tobacco, year ended June 30, 1882.....	\$22,875 22
Special taxes, peddlers of tobacco, year ended June 30, 1881.....	26,258 13
Decrease in collections from peddlers of tobacco.....	3,382 91
Dealers in leaf tobacco, year ended June 30, 1882.....	\$84,585 63
Dealers in leaf tobacco, year ended June 30, 1881.....	83,190 03
Increase in collections from dealers in leaf tobacco.....	1,395 60

COMPARISON WITH PRECEDING YEAR.

The above statement shows that the collections made during the fiscal year ended June 30, 1882, were in excess of those made during the fiscal year ended June 30, 1881, with two exceptions, to wit, export stamps, \$298.00, and peddlers, \$3,382.91, aggregating \$3,680.91. The increases were:

From specific taxes:	
Tobacco and snuff.....	\$2,289,922 21
Cigars and cigarettes.....	2,129,716 47
From special taxes:	
Dealers in manufactured tobacco.....	118,464 66
Manufacturers of tobacco and cigars.....	1,179 57
Dealers in leaf tobacco.....	1,395 60
Total increase of collections.....	\$4,540,678 51
Deduct decrease of collections.....	3,680 91
Net increase of collections.....	4,536,997 60

PRODUCTION OF MANUFACTURED TOBACCO, CIGARS, ETC.

The production of tobacco, snuff and cigars for the fiscal year ended June 30, 1882, as shown from the several quantities removed for consumption on payment of tax, together with the quantities removed in bond for export, is as follows:

	Pounds.
Tobacco taxed at 16 cents per pound.....	156,452,326
Tobacco taxed at 24 cents per pound.....	5,707
Snuff taxed at 16 cents per pound.....	4,866,568
Total quantity removed for consumption.....	161,324,601
Tobacco and snuff removed for exportation.....	10,829,215
Total apparent production.....	172,153,816
Total apparent product, year ended June 30, 1881.....	157,699,876
Increase of production.....	14,453,940

PRODUCTION OF CIGARS AND CIGARETTES.

	Number.
Cigars, cheroots, &c. taxed at \$6 per thousand	3, 040, 975, 395
Cigarettes taxed at \$1.75 per thousand	554, 045, 886
Cigarettes taxed at \$6 per thousand	498, 300
Cigars removed in bond for export	3, 451, 995
Cigarettes removed in bond for export	64, 001, 500
Total product for fiscal year, 1882	3, 662, 973, 076
Total product for fiscal year, 1881	3, 290, 404, 915
Total increase of production	372, 568, 161

Of this increase 321,897,758 were cigars and 50,670,403 cigarettes.

TOBACCO AND SNUFF SOLD, EXPORTED, AND ON HAND.

	Pounds.
Tobacco and snuff sold during 1881	162, 053, 056½
Tobacco and snuff exported during 1881	7, 825, 646½
Tobacco and snuff on hand January 1, 1882	18, 637, 257
Total	188, 515, 960
Tobacco and snuff manufactured during 1881	172, 467, 238½
Accounted for in excess of manufacture	16, 048, 721½

MATERIALS USED.

The gross amount of materials used in the manufacture of tobacco and snuff and the loss in course of manufacture, for the calendar year 1881, has been as follows:

	Pounds.
Materials used in manufacturing tobacco and snuff	221, 002, 060½
Tobacco and snuff manufactured and in process out of this material	180, 107, 000½
Difference or apparent loss on materials used	40, 895, 060½

This difference, itemized, is as follows:

	Pounds.
Scraps taken out of the leaf tobacco used	3, 585, 570
Stems taken out of the leaf tobacco used	32, 192, 354
Loss from dirt, dust, shrinkage, &c.	5, 117, 136½

Total of scraps and stems taken out and loss from dirt, shrinkage, &c. 40, 895, 060½

IMPORTED CIGARS.

The cigars imported during the fiscal year ended June 30, 1882, as given by the Bureau of Statistics, were as follows:

	Pounds.
Aggregate in quantity	802, 872
Of this quantity there were exported	71, 295
Leaving to be withdrawn for consumption	731, 577
Allowing 13½ pounds to the thousand as the weight of imported cigars, the number would be	54, 150, 889
Number withdrawn, 1881	40, 092, 667
Increase in number of cigars for the fiscal year, 1882	14, 098, 222

EXPORTATION OF MANUFACTURED TOBACCO AND SNUFF IN BOND.

The quantities of tobacco removed and unaccounted for, July 1, 1881, were as follows:

	Pounds.	Pounds.
Bonds in the hands of United States district attorneys....	17, 094	
Tobacco, at 24 cents, removed under exportation bonds....	33, 974	
Tobacco, at 24 cents, removed under transportation bonds....	126, 312½	
Tobacco, at 16 cents, removed under exportation bonds....	830, 576½	
Tobacco, at 16 cents, removed under transportation bonds....	102, 515½	
		1, 110, 472½

The quantity of tobacco removed during the year ended June 30, 1882, was:

Tobacco and snuff, at 16 cents per pound tax	10,829,215 $\frac{5}{8}$	
	<hr/>	10,829,215 $\frac{5}{8}$
		<hr/>
		11,939,688 $\frac{3}{8}$
		<hr/>

The quantities of tobacco exported and accounted for during the year were:

	Pounds.	Pounds.
Tobacco, at 24 cents per pound tax	146,730 $\frac{1}{2}$	
Tobacco and snuff, at 16 cents per pound tax	10,596,650 $\frac{1}{8}$	
Tobacco, at 24 cents per pound tax (tax paid on deficiencies)	240	
Tobacco and snuff, at 16 cents per pound tax (tax paid on deficiencies)	1,057	
	<hr/>	10,744,677 $\frac{1}{8}$

The quantities of tobacco remaining unaccounted for June 30, 1882, were:

	Pounds.	Pounds.
Bonds in the hands of United States district attorneys....	17,094	
Tobacco, at 24 cents, removed under exportation bonds...	3,481	
Tobacco, at 24 cents, removed under transportation bonds..	9,835	
Tobacco and snuff, at 16 cents, removed under exportation bonds	1,080,127 $\frac{1}{2}$	
Tobacco and snuff, at 16 cents, removed under transportation bonds	84,473	
	<hr/>	1,195,010 $\frac{1}{2}$
		<hr/>
		11,939,688 $\frac{3}{8}$
		<hr/>

The quantity of tobacco removed from manufactories for exportation during the fiscal year ended June 30, 1882, is 143,083 pounds greater than that removed during the fiscal year ended June 30, 1881. The number of cigars is 725,920 greater; and of cigarettes is 26,338,440 greater. The number of cigarettes exported in 1882 exceeds the number exported in 1881 by 70 per cent.

In this connection I call attention to the following paragraph which appeared in my reports for 1880 and 1881, and renew the recommendation contained therein:

It, however, appears that in striking out a portion of section 3385 Revised Statutes, and substituting for the portion stricken out the amendatory provisions of the new law, the language of that part of section 3385 relied upon as authorizing the exportation of tobacco, snuff, and cigars by railroad cars and other land conveyances was, through inadvertence, not restored. I see no good reasons why the exportation of these articles under section 3385, as amended, should be confined to vessels, and I would therefore recommend that as early as possible in the next session of Congress the law be amended so as to clearly provide for the exportation of tobacco, snuff, and cigars by railroad or other land conveyances.

EXPORTATION OF CIGARS AND CIGARETTES IN BOND.

The number of cigars and cigarettes removed and unaccounted for to July 1, 1881, was:

	Number.	Number.
Cigars, at \$6 per M tax	81,450	
Cigarettes, at \$1.75 per M tax	4,153,000	
	<hr/>	4,234,450

The number of cigars and cigarettes removed during the year ended June 30, 1882, was:

Cigars, at \$6 per M tax	3,451,995	
Cigarettes, at \$1.75 per M tax	64,001,500	
	<hr/>	67,453,495
		<hr/>
		71,687,945
		<hr/>

The number of cigars and cigarettes exported and accounted for during the year ended June 30, 1882, was:

	Number.	Number.
Cigars, at \$6 per M tax.....	3, 290, 895	
Cigarettes, at \$1.75 per M tax.....	63, 298, 000	
		66, 588, 895

The number of cigars and cigarettes remaining unaccounted for June 30, 1882, was:

Cigars, at \$6 per M.....	242, 550	
Cigarettes, at \$1.75 per M.....	4, 856, 500	
		5, 099, 050
		71, 687, 945

The following statement shows the quantities of tobacco (including snuff) removed for export in the last ten years, and the percentage of production:

Year.	Pounds of tobacco exported.	Percentage of production.
1873.....	10, 110, 045	8.59+
1874.....	10, 800, 927	9.11+
1875.....	9, 179, 316	7.13+
1876.....	9, 434, 485	7.87+
1877.....	11, 335, 046	8.88+
1878.....	10, 581, 744	8.89+
1879.....	11, 034, 951	8.62+
1880.....	9, 808, 409	6.71+
1881.....	10, 686, 132	6.61+
1882.....	10, 829, 215	6.29+

DATE OF BONDS REMAINING UNACCOUNTED FOR JUNE 30, 1882.

The years in which the bonds were given for the exportation of the tobacco, snuff, cigars, and cigarettes remaining unaccounted for by the evidence required by law for their cancellation on June 30, 1882, are as follows, viz:

Year.	Tobacco.	Cigars.	Cigarettes.
	Pounds.	Number.	Number.
1872.....	17, 094		
1873.....			
1874.....			
1875.....	448		
1876.....	1, 015		
1877.....	361		
1878.....	7, 704		
1879.....	49, 472		32, 000
1880.....	62, 965	10, 500	6, 000
1881.....	117, 979	10, 000	325, 000
1882.....	937, 972½	222, 050	4, 493, 500
Total.....	1, 195, 010½	242, 550	4, 856, 500

REVIEW OF TAXATION OF TOBACCO.

In June, 1872, a uniform tax of 20 cents a pound was imposed on all classes of manufactured tobacco except snuff, which was taxed at the rate of 32 cents a pound. In 1875 the uniform tax was increased from 20 to 24 cents a pound; and in March, 1879, the tax on all manufactured tobacco, including snuff, was reduced to 16 cents a pound. In 1875 the tax on cigars was increased from \$5 per thousand to \$6, and the tax on cigarettes from \$1.25 per thousand to \$1.75.

The following statement shows the collections from special and specific taxes on tobacco of all descriptions, including snuff, cigars, and cigarettes:

	Amount collected.
1873.....	\$34,386,303 09
1874.....	33,242,875 62
1875.....	37,303,461 88
1876.....	39,795,339 91
1877.....	41,106,546 92
1878.....	40,091,754 67
1879.....	40,135,002 65
1880.....	38,870,140 08
1881.....	42,854,991 31
1882.....	47,391,988 91
Aggregate collections.....	395,178,405 04
Average annual collections.....	39,517,840 50
Excess of collections in 1882 over average.....	7,874,148 41

The collections from tobacco of all descriptions, including snuff, and number of pounds thereof, have been as follows:

Years.	Collections.	Pounds.
1873.....	\$23,397,858 22	114,789,208
1874.....	21,908,955 59	107,502,548
1875.....	25,209,759 51	119,435,874
1876.....	26,755,740 20	107,063,516
1877.....	28,148,767 99	112,722,055
1878.....	26,368,872 30	105,560,736
1879.....	25,606,010 25	116,975,223
1880.....	21,894,763 74	132,309,527
1881.....	28,522,470 63	147,013,405
1882.....	25,812,392 84	161,324,601
Total.....	248,571,631 18	1,224,636,693

Average annual collections.....	\$24,857,163 12
Average annual quantity tobacco and snuff tax-paid..... pounds...	122,463,670

The collections from cigars, cheroots, and cigarettes, and number of cigars and cigarettes, have been as follows:

Years.	Collections.	Number.
1873.....	\$8,910,391 48	1,807,034,646
1874.....	9,393,592 24	1,886,697,498
1875.....	10,205,827 53	1,967,959,662
1876.....	11,165,272 45	1,906,227,982
1877.....	11,061,278 15	1,949,678,513
1878.....	11,719,296 59	2,070,253,337
1879.....	12,532,452 72	2,257,523,581
1880.....	14,922,088 88	2,776,511,615
1881.....	17,088,766 09	3,250,046,770
1882.....	19,218,422 47	3,595,419,581
Total.....	126,127,258 31	23,466,723,185

Average annual collections.....	\$12,612,725 83
Average number cigars tax-paid annually.....	2,346,672,320

The large increase since 1873 over the general average of the last ten years in the quantity of manufactured tobacco and numbers of cigars and cigarettes on which taxes have been collected is, in my opinion, to be attributed to two causes:

First. The improved condition of the times, whereby all are enabled to purchase tobacco or cigars who desire to do so.

Second. The supervision exercised over the entire industry and the increased vigilance of the various officers of the service in detecting and reporting all cases of fraud, and holding every man to a strict compliance with the law.

The amount collected during the last ten years in payment for export stamps used on tobacco, snuff, and cigars, was \$68,910.30, being an average annual payment of \$6,891.03.

The aggregate amount paid for special-tax stamps by manufacturers and dealers in tobacco during the last ten years was \$20,410,605.25, being an average annual payment of \$2,041,060.52.

LEAF TOBACCO.

The annexed tables show that during the calendar year 1881 the number of pounds of leaf tobacco consumed in the manufacture of tobacco, snuff, cigars, cheroots, and cigarettes was as follows:

	Pounds.
Manufactured into tobacco and snuff.....	170,079,013
Made into cigars, cheroots, and cigarettes	66,425,279
Total leaf manufactured in 1881.....	236,504,292
Deduct imported leaf used.....	11,102,893
Domestic leaf used in 1881	225,401,399
* * * * *	

DISTILLED SPIRITS AND MALT LIQUORS.

The quantity of spirits (105,853,161 gallons) produced and deposited in distillery warehouses during the fiscal year ended June 30, 1882, was less than the production of the previous year (117,728,150 gallons) by 11,874,989 gallons.

The decrease in production for the fiscal year 1882 as compared with the production for the fiscal year 1881 is distributed among the different varieties known to the trade as follows:

Decrease in production of—	Gallons.
Bourbon whisky.....	4,056,948
Rye whisky.....	706,832
Alcohol.....	7,787,298
Rum.....	414,422
High wines.....	3,401,202
Total.....	16,366,702
	Gallons.
Increase in production of—	
Gin.....	19,538
Pure neutral or cologne spirits.....	4,314,685
Miscellaneous.....	157,490
Net decrease	11,874,989

QUANTITY OF SPIRITS RECTIFIED.

The following statement shows the number of proof-gallons of spirits rectified in the United States during the year ended April 30, 1882, by collection districts:

Alabama.....	103,466.50	Third district, Georgia....	720,536.00
Arizona.....	25,630.50	Idaho.....	8,204.50
First district, California..	1,912,841.29	First district, Illinois....	4,655,653.67
Fourth district, California..	188,841.00	Second district, Illinois...	8,221.66
Colorado.....	119,051.56	Fourth district, Illinois...	191,553.50
First district, Connecticut.	38,519.28	Fifth district, Illinois....	823,255.00
Second district, Connecticut.	153,254.09	Eighth district, Illinois...	11,707.00
Delaware.....	39,144.50	Thirteenth district, Illinois	59,091.00
Second district, Georgia...	323,872.60	First district, Indiana....	16,580.50

Fourth district, Indiana ..	51,878.00	Twenty-eighth district, New York	452,661.45
Sixth district, Indiana	17,368.87	Thirtieth district, New York	671,981.00
Seventh district, Indiana ..	38,355.50	Fourth district, North Caro- lina	29,183.00
Tenth district, Indiana	50,821.50	Sixth district, North Caro- lina	38,926.50
Second district, Iowa	5,232.00	First district, Ohio	10,541,030.08
Third district, Iowa	65,144.00	Third district, Ohio	48,815.50
Fourth district, Iowa	44,373.50	Fourth district, Ohio	17,661.98
Kansas	11,370.71	Seventh district, Ohio	41,772.97
Second district, Kentucky ..	86,513.00	Tenth district, Ohio	345,290.02
Fifth district, Kentucky ..	1,152,874.04	Eleventh district, Ohio	26,524.50
Sixth district, Kentucky ..	4,220,072.52	Fifteenth district, Ohio ...	18.60
Seventh district, Ken- tucky	9,291.00	Eighteenth district, Ohio..	466,089.50
Louisiana	1,090,968.31	Oregon	64,803.00
Third district, Maryland ..	3,870,056.17	First district, Pennsyl- vania	7,478,723.65
Fourth district, Maryland ..	9,898.50	Eighth district, Pennsyl- vania	161,853.90
Third district, Massachu- setts	1,766,238.11	Ninth district, Pennsyl- vania	96,016.00
Fifth district, Massachu- setts	29,333.00	Twelfth district, Pennsyl- vania	119,549.00
Tenth district, Massachu- setts	3,797.50	Fourteenth district, Penn- sylvania	9,432.48
First district, Michigan ...	299,891.00	Nineteenth district, Penn- sylvania	10,405.50
Fourth district, Michigan ..	33,843.25	Twenty-second district, Pennsylvania	913,002.25
First district, Minnesota ..	10,971.77	Twenty-third district, Pennsylvania	27,679.00
Second district, Minnesota ..	228,253.65	Rhode Island	35,169.00
First district, Missouri	3,622,993.74	South Carolina	20,500.50
Fourth district, Missouri ..	322.50	Fifth district, Tennessee ..	277,117.00
Sixth district, Missouri ...	371,593.50	First district, Texas	208,162.50
Montana	1,380.50	Third district, Texas	8,615.00
Nebraska	116,165.00	Fourth district, Texas	270.50
Nevada	7,121.50	Utah	29,718.00
New Hampshire	14,030.00	Second district, Virginia ..	222,906.50
First district, New Jersey ..	1,968.00	Third district, Virginia ...	367,711.50
Third district, New Jersey ..	31,134.42	Sixth district, Virginia ...	94,935.00
Fifth district, New Jersey ..	121,266.50	First district, West Vir- ginia	68,854.00
New Mexico .....	.....	First district, Wisconsin ..	1,245,169.73
First district, New York ..	1,200,709.75	Second district, Wisconsin ..	36,313.00
Second district, New York ..	6,802,236.05	Third district, Wisconsin ..	31,266.50
Third district, New York ..	702,828.34		
Eleventh district, New York	980.50	Total	59,810,407.45
Fourteenth district, New York	444,322.90		
Fifteenth district, New York	21,968.00		
Twenty-first district, New York	51,828.19		
Twenty-fourth district, New York	201,420.00		
Twenty-sixth district, New York	9,986.00		

The following statement shows the number of proof-gallons of spirits rectified in the United States during the year ended April 30, 1882, by States and Territories:

Alabama	108,466.50	Maryland	3,879,954.67
Arizona	25,680.50	Massachusetts	1,799,372.61
California	2,101,682.29	Michigan	333,734.25
Colorado	119,051.56	Missouri	3,994,909.74
Connecticut	191,773.37	Minnesota	239,225.42
Delaware	39,144.50	Montana	7,380.50
Georgia	444,408.00	Nebraska	116,165.00
Idaho	8,204.50	Nevada	7,121.50
Illinois	5,749,481.83	New Hampshire	14,030.00
Indiana	175,004.37	New Jersey	154,368.92
Iowa	114,749.50	New Mexico .....	.....
Kansas	11,370.71	New York	10,560,922.18
Kentucky	5,468,750.56	North Carolina	68,109.50
Louisiana	1,090,968.31	Ohio	11,487,203.15

Oregon.....	64,803.00	Utah.....	20,718.00
Pennsylvania.....	8,816,661.78	Virginia.....	665,553.00
Rhode Island.....	35,169.00	West Virginia.....	68,854.00
South Carolina.....	20,500.50	Wisconsin.....	1,312,749.23
Tennessee.....	277,117.00		
Texas.....	217,048.00	Total.....	59,810,407.45

OPERATIONS AT DISTILLERY WAREHOUSES.

The following table shows the quantity of distilled spirits in taxable gallons, at 90 cents per gallon tax, placed in distillery warehouses during the fiscal year ended June 30, 1882, the quantity withdrawn therefrom during the year, and the quantity remaining therein at the beginning and close of the year:

	Taxable gallons.
1. Quantity of distilled spirits actually remaining in warehouse July 1, 1881.....	64,648,111
2. Quantity of distilled spirits not actually in warehouse claimed to have been lost by casualty.....	204,075
3. Quantity of distilled spirits withdrawn for exportation, proofs of landing not received.....	15,045,619
4. Quantity of distilled spirits withdrawn for transfer to manufacturing warehouse, not yet received at warehouse.....	65,516
5. Quantity of distilled spirits produced from July 1, 1881, to June 30, 1882.....	105,853,161
Total.....	185,816,482
6. Distilled spirits withdrawn tax-paid (including deficiencies on export bonds and casualties disallowed).....	70,749,880
7. Distilled spirits exported, proofs of landing received.....	14,259,410
8. Distilled spirits allowed for loss by casualty.....	139,377
9. Distilled spirits withdrawn for scientific purposes and for the use of the United States.....	14,048
10. Distilled spirits allowed for loss by leakage or evaporation in warehouse.....	1,231,336
11. Distilled spirits allowed for loss by leakage in transportation for export, &c.....	35,361
12. Distilled spirits withdrawn for transfer to and received at manufacturing warehouse.....	242,574
13. Distilled spirits withdrawn for exportation, proofs of landing not received.....	8,838,193
14. Distilled spirits withdrawn for transfer to manufacturing warehouse, not yet received at warehouse.....	35,928
15. Distilled spirits not actually in warehouse, claimed to have been lost by casualty.....	307,730
16. Distilled spirits actually remaining in warehouse June 30, 1882.....	89,962,645
Total.....	185,816,482

The quantity of spirits, 89,962,645 gallons, actually remaining in warehouse June 30, 1882, is the quantity as shown by the original gauge of each package.

The quantity of spirits withdrawn from distillery warehouses for exportation during the year was 8,092,725 gallons.

DISTILLED SPIRITS ALLOWED FOR LOSS BY LEAKAGE OR EVAPORATION IN WAREHOUSES.

The quantity of spirits, 1,231,336 gallons, reported in the preceding table as lost by leakage or evaporation in warehouse is that portion of the actual leakage in warehouse from packages withdrawn during the year which has been allowed in accordance with the provisions of section 17 of the act of May 28, 1880. It is noted that in most cases the quantity allowed by the law has covered the entire loss, so that the

above quantity is believed to indicate almost the entire loss in warehouse on the spirits withdrawn during the year, except in cases of casualty, and may be safely used as a factor in computing probable losses on spirits in distillery warehouses.

The leakage allowed during June, 1880, was 75,834 gallons, and the quantity allowed during the year ended June 30, 1881, was 811,466 gallons, making the total allowances to July 1, 1882, 2,118,636 gallons.

In the consideration of a bill to amend the laws relating to the entry of distilled spirits in distillery warehouses and special bonded warehouses, and the withdrawal of the same therefrom (H. R. 5656, Forty-seventh Congress, first session), the question arose as to whether the allowances for leakage authorized by section 17 of the act of May 28, 1880, were adequate or excessive.

In order to assist in determining the question, a large number of gaugers' reports of withdrawals of spirits from warehouse was examined. The examination showed that under ordinary conditions the quantity lost was oftener less than the maximum allowance than more than the maximum allowance. The average losses in cold warehouses were found to be uniformly less than the maximum allowances. In heated warehouses, however, the average loss was sometimes found to be greater. Upon examination of gaugers' reports, selected at random, covering spirits withdrawn from cold warehouses, it was found that the average actual loss as to 164 packages withdrawn within sixty days after deposit in warehouse, *i. e.*, during the first period named in the law, was .96 of the maximum allowed by the law; the loss as to 146 packages withdrawn during the second period was .37 of the maximum allowance; as to 71 packages withdrawn during the third period, the loss was .53 of the maximum; as to 96 packages withdrawn during the fourth period, the loss was .69 of the maximum; as to 131 packages withdrawn during the fifth period, the loss was .78 of the maximum; as to 128 packages withdrawn during the sixth period, the loss was .75 of the maximum; as to 99 packages withdrawn during the seventh period, the loss was .71 of the maximum; as to 94 packages withdrawn during the eighth period, the loss was .60 of the maximum; as to 179 packages withdrawn during the ninth period, the loss was .65 of the maximum; as to 167 packages withdrawn during the tenth period, the loss was .68 of the maximum; as to 144 packages withdrawn during the eleventh period, the loss was .61 of the maximum; as to 85 packages withdrawn during the twelfth period, the loss was .66 of the maximum; as to 192 packages withdrawn during the thirteenth period, the loss was .70 of the maximum; and as to 421 packages withdrawn during the fourteenth and last period, the average loss was .76 of the maximum.

Very few withdrawals of spirits less than ten months old were found to have been made from heated warehouses, and the average losses as to these few cases did not vary materially from those occurring in cold warehouses. As to 207 packages withdrawn from heated warehouses during the sixth period named in the law (eleven and twelve months), the average loss was .87 of the maximum; as to 217 packages withdrawn during the seventh period, the average loss was .94 of the maximum; as to 92 packages withdrawn during the eighth period, the average loss was .86 of the maximum; as to 23 packages withdrawn during the ninth period, the average loss was 1.00 of the maximum; as to 179 packages withdrawn during the tenth period, the average loss was .80 of the maximum; as to 92 packages withdrawn during the eleventh period, the average loss was .87 of the maximum; as to 43 packages

withdrawn during the twelfth period, the average loss was .81 of the maximum; as to 43 packages withdrawn during the thirteenth period, the average loss was .90 of the maximum; and as to 379 packages withdrawn during the fourteenth period, the average loss was .91 of the maximum allowed by law.

LOSS OF SPIRITS BY CASUALTIES.

During the fiscal year 1882 there were reported as lost by fire and other casualties, while stored in warehouse, 257,016 taxable gallons of spirits, or about fifteen ten-thousandths of the entire quantity of spirits (170,501,272 gallons) handled in the several distillery warehouses in the United States during that period. The loss so reported is distributed among the several kinds of spirits as follows:

	Gallons.
Bourbon whisky	145, 239
Rye whisky	32, 964
Alcohol	10, 557
High wines	116
Miscellaneous	63, 140
Total	257, 016

Of this quantity 167,890 gallons were destroyed by fire in one warehouse, and 57,674 gallons were destroyed by the falling of patent ricks in two other warehouses, making a loss of 225,564 gallons through three casualties.

EXPORTATION OF SPIRITS.

The following statements show the quantities of spirits withdrawn for export during the last two fiscal years:

WITHDRAWN IN 1881.

Districts.	Bourbon whisky.	Rye whisky.	Rum.	High wines.	Pure, neu- tral, or cologne spirits.	Alcohol.	Aggregate.
	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
1 California				180			180
1 Illinois					180, 217	1, 233, 804	1, 414, 021
3 Illinois						847, 019	847, 019
5 Illinois					289, 886	5, 447, 659	5, 737, 545
8 Illinois						2, 825, 906	2, 825, 906
1 Indiana						85, 692	85, 692
4 Indiana					4, 212	42, 575	46, 787
7 Indiana	3, 482					809, 028	812, 510
2 Iowa						961, 432	961, 432
5 Iowa						1, 005, 209	1, 005, 209
5 Kentucky	2, 130						2, 130
6 Kentucky	4, 452						4, 452
7 Kentucky	1, 457						1, 457
3 Maryland		1, 242					1, 242
3 Massachusetts			269, 332				269, 332
5 Massachusetts			591, 602				591, 602
1 Missouri						28, 221	28, 221
Nebraska						772, 171	772, 171
1 New York					7, 909		7, 909
1 Ohio	702	273			6, 078	316, 373	323, 426
3 Ohio						145, 509	145, 509
6 Ohio	963	975					1, 938
22 Pennsylvania		2, 212					2, 212
1 Wisconsin						33, 580	33, 580
Total	13, 186	4, 702	800, 934	180	488, 302	14, 534, 178	15, 921, 482

WITHDRAWN IN 1882.

Districts.	Bourbon whisky.	Rye whisky.	Rum.	High wines.	Pure, neu- tral, or cologne spirits.	Alcohol.	Gin.	Aggregate
	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
1 California				575	2, 094			2, 579
1 Illinois					84, 224	470, 832		555, 056
3 Illinois						355, 330		355, 330
5 Illinois	11, 144				214, 579	3, 082, 049	161	3, 307, 933
8 Illinois						977, 517		977, 517
4 Indiana						152, 967		152, 967
7 Indiana	171				13, 614*	281, 962		245, 747
2 Iowa					1, 082	286, 632		287, 704
5 Iowa						370, 532		370, 532
2 Kentucky	2, 209							2, 209
5 Kentucky	10, 116	200						10, 316
6 Kentucky	3, 591							3, 591
7 Kentucky	4, 023	2, 907						6, 930
8 Kentucky	209							209
3 Maryland		40						40
3 Massachusetts			96, 373					96, 373
5 Massachusetts			448, 518					448, 518
1 Missouri	515				3, 412	11, 093		15, 010
6 Missouri						153, 338		153, 338
Nebraska	602				6, 467	168, 552		172, 621
1 New York	439†						178	615
1 Ohio						553, 406		553, 406
3 Ohio						373, 266		373, 266
22 Pennsylvania		406						406
23 Pennsylvania		502						502
Total	33, 019	4, 055	544, 891	575	325, 382	7, 184, 466	337	8, 092, 725

*13,614 "Miscellaneous" on 61 a.

†429 "Miscellaneous" on 61 a.

The following figures show the increase or decrease as to the various kinds of spirits exported in the year 1882 as compared with the year 1881:

	Gallons.
Decrease in alcohol	7, 369, 712
Decrease in rum	316, 043
Decrease in pure or neutral spirits	162, 920
Decrease in rye whisky	647

Total decrease

7, 849, 322

	Gallons.
Increase in bourbon whisky	19, 833
Increase in high wines	395
Increase in gin	337

Total increase

20, 565

Net decrease

7, 828, 757

SPIRITS WITHDRAWN FROM DISTILLERY WAREHOUSES UPON PAYMENT OF TAX.

	Gallons.
The quantity of spirits withdrawn from distillery warehouses upon payment of tax was in 1882	70, 730, 140
And was in 1881	67, 372, 575
Increase	3, 357, 605

This increase is distributed as follows :

	Gallons
Bourbon whisky	897, 089
Rye whisky	780, 111

	Gallons.
Gin.....	66,607
Pure, neutral, or cologne spirits.....	3,895,015
Miscellaneous.....	1,332,708
Total increase.....	6,971,529
	Gallons.
Decrease in withdrawals of high wines.....	3,224,977
Decrease in withdrawals of alcohol.....	373,715
Decrease in withdrawals of rum.....	15,232
Total decrease.....	3,613,924
Net increase in withdrawals upon payment of tax.....	3,357,605

**SPIRITS WITHDRAWN FROM WAREHOUSES FOR SCIENTIFIC PURPOSES,
AND FOR USE OF THE UNITED STATES.**

The quantity of alcohol withdrawn free of tax from distillery warehouses for the use of colleges and other institutions of learning in the preservation of specimens of natural history in their several museums, or for use in their chemical laboratories, and of spirits of various kinds for use of the United States, amounted during the year to 14,048 gallons, or 10,854 gallons less than the quantity withdrawn during the previous year.

**SPIRITS WITHDRAWN FOR TRANSFER TO MANUFACTURING WARE-
HOUSES.**

The quantity of spirits withdrawn free of tax from distillery warehouses for transfer to warehouses established at ports of entry for the manufacture of certain articles exclusively for exportation (see sec. 3433 R. S., and sec. 14, act of May 28, 1880), amounted during the year to 213,322 gallons, or 7,494 gallons more than the quantity withdrawn during the preceding year. The spirits withdrawn consisted of two varieties, as follows:

	Gallons.
Alcohol.....	163,556
Pure neutral or cologne spirits.....	49,766
Total.....	213,322

SPIRITS REMAINING IN WAREHOUSES AT THE CLOSE OF THE YEAR.

In my report for the year ended June 30, 1879, it was shown that the quantity (19,212,470 gallons) in warehouses June 30, 1879, exceeded the quantity in warehouse at the close of any preceding fiscal year. This quantity, however, was much exceeded by the quantity (31,363,869 gallons) remaining in warehouse June 30, 1880, which latter quantity is more than doubled by the quantity (64,648,111 gallons) in warehouse June 30, 1881, and more than trebled by the quantity (89,962,645 gallons) in warehouse June 30, 1882.

The following table shows the quantity remaining in distillery warehouses at the close of each of the thirteen fiscal years during which spirits have been stored in such warehouses:

	Gallons.
Quantity remaining June 30, 1869.....	16,685,166
Quantity remaining June 30, 1870.....	11,671,886
Quantity remaining June 30, 1871.....	6,744,360
Quantity remaining June 30, 1872.....	10,103,392
Quantity remaining June 30, 1873.....	14,650,148
Quantity remaining June 30, 1874.....	15,575,224

	Gallons.
Quantity remaining June 30, 1875.....	13, 179, 596
Quantity remaining June 30, 1876.....	12, 595, 850
Quantity remaining June 30, 1877.....	13, 091, 773
Quantity remaining June 30, 1878.....	14, 088, 773
Quantity remaining June 30, 1879.....	19, 212, 470
Quantity remaining June 30, 1880.....	31, 363, 869
Quantity remaining June 30, 1881.....	64, 648, 111
Quantity remaining June 30, 1882.....	89, 962, 645

WITHDRAWALS OF PRODUCTS, BY MONTHS.

The quantity of each month's product of spirits in warehouse July 1, 1881, which was withdrawn during the year ended June 30, 1882, is shown in the following tabular statement:

Product of the month of—	In warehouse July 1, 1881.	Withdrawn dur- ing year ended June 30, 1882.	Remaining in warehouse June 30, 1882.
1878.	Gallons.	Gallons.	Gallons.
Months prior to June.....	4, 387	4, 387	.....
June.....	31, 496	31, 496	.....
July.....	13, 386	13, 386	.....
August.....	5, 815	5, 815	.....
September.....	10, 651	10, 651	.....
October.....	37, 692	37, 692	.....
November.....	113, 832	113, 832	.....
December.....	191, 975	191, 975	.....
1879.			
January.....	299, 853	299, 853	.....
February.....	379, 408	379, 408	.....
March.....	442, 079	442, 079	.....
April.....	557, 035	557, 035	.....
May.....	626, 089	610, 824	15, 265
June.....	424, 662	252, 644	172, 018
July.....	207, 023	112, 878	94, 145
August.....	134, 606	75, 913	58, 693
September.....	193, 017	85, 800	107, 157
October.....	307, 481	102, 740	204, 741
November.....	645, 835	250, 096	395, 739
December.....	1, 081, 193	429, 685	651, 508
1880.			
January.....	1, 453, 477	486, 968	966, 509
February.....	1, 723, 312	529, 304	1, 194, 009
March.....	2, 316, 138	728, 537	1, 587, 601
April.....	2, 648, 272	775, 570	1, 872, 702
May.....	2, 715, 802	775, 085	1, 940, 717
June.....	2, 335, 213	749, 374	1, 585, 839
July.....	1, 409, 677	347, 122	1, 062, 555
August.....	587, 887	149, 984	394, 853
September.....	891, 462	238, 534	652, 928
October.....	2, 001, 096	363, 865	1, 637, 231
November.....	3, 087, 746	509, 281	2, 527, 465
December.....	4, 300, 870	752, 608	3, 548, 262
1881.			
January.....	4, 329, 474	722, 455	3, 607, 019
February.....	4, 815, 051	942, 565	3, 902, 486
March.....	6, 121, 991	1, 130, 714	4, 991, 277
April.....	6, 397, 188	1, 167, 008	5, 230, 180
May.....	6, 287, 006	1, 102, 471	5, 184, 585
June.....	5, 510, 934	1, 149, 058	4, 361, 876
Total.....	64, 648, 111	16, 700, 741	47, 947, 370

INCREASE OF SPIRITS IN WAREHOUSE.

More than seven-tenths of the spirits remaining in warehouse June 30, 1882 (63,011,282 gallons out of 89,962,645 gallons) was bourbon

whisky. There was an increase in the quantity in warehouse June 30, 1882, over the quantity in warehouse June 30, 1881, of 25,314,534 gallons, distributed among all kinds known to the trade, except alcohol, as follows:

	Gallons.
Increase in bourbon whisky	19,435,406
Increase in rye whisky	4,742,724
Increase in rum	19,594
Increase in gin	4,554
Increase in high wines	25,289
Increase in pure neutral, or cologne, spirits	560,740
Increase in miscellaneous	581,687
	<hr/>
Less decrease in alcohol	25,369,994
	<hr/>
Net increase	25,314,534

SPIRITS REMOVED IN BOND FOR EXPORT.

The following statement shows the quantity and percentage of production of distilled spirits removed in bond for export during each fiscal year since the passage of the act of June 6, 1872:

Year.	Taxable (proof) gallons ex- ported.	Percentage of produc- tion.
1873.....	2,358,630	3.45+
1874.....	4,060,160	5.90+
1875.....	587,413	0.96+
1876.....	1,308,900	2.25+
1877.....	2,529,528	4.22+
1878.....	5,499,252	9.80+
1879.....	14,887,581	20.33+
1880.....	16,765,666	18.55+
1881.....	15,921,482	13.52+
1882.....	8,092,725	7.64+

SPIRITS WITHDRAWN FOR EXPORT DURING FIRST FOUR MONTHS OF PRESENT FISCAL YEAR.

Following is a statement showing, by districts, the number of gallons of each kind of spirits removed for export during the first four months of the present fiscal year:

Districts.	Alcohol.	Pure, neu- tral, or cologne spirits.	Rum.	Bourbon whisky.	Rye whisky.	Miscella- neous.
	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.	Gallons.
First California.....		2,289				237
Fifth Illinois.....	30,388					
Seventh Indiana.....	17,136					2,576
Second Kentucky.....				878		
Fifth Kentucky.....				1,189	588	
Sixth Kentucky.....				2,446		
Seventh Kentucky.....				694		
Third Maryland.....					11,230	
Third Massachusetts.....			71,663			
Fifth Massachusetts.....			337,868			
Twenty-second Pennsylvania.....					10,619	
Twenty-third Pennsylvania.....					3,772	
Total.....	47,524	2,289	409,531	5,207	26,209	2,813

a Wheat whisky.

b High-proof spirits.

*

*

*

*

*

*

*

SPIRITS IN DISTILLERY WAREHOUSES NOVEMBER 1, 1881 and 1882.

Following is a statement of the quantities of spirits remaining in distillery warehouses November 1, 1881 and 1882 :

District.	Gallons.	
	1881.	1882.
Second Alabama.....	5,942	1,240
Arkansas.....	14,253	8,134
First California.....	222,482	332,918
Colorado.....	2,388	.....
First Connecticut.....	23,936	15,394
Second Connecticut.....	.....	.....
Second Georgia.....	21,261	11,477
Third Georgia.....	1,415	543
Idaho.....	5,508	6,894
First Illinois.....	1,126,162	1,180,256
Second Illinois.....	57,839	67,375
Third Illinois.....	19,455	.....
Fourth Illinois.....	43,567	50,334
Fifth Illinois.....	592,421	841,589
Eighth Illinois.....	68,745	53,605
Thirteenth Illinois.....	2,431	1,224
First Indiana.....	33,769	39,312
Fourth Indiana.....	1,625,864	1,468,538
Sixth Indiana.....	30,313	22,457
Seventh Indiana.....	186,298	131,141
Eleventh Indiana.....	3,663	2,573
Second Iowa.....	3,196	1,973
Fifth Iowa.....	1,560	22,502
Kansas.....	28,319	34,067
Second Kentucky.....	5,721,493	7,586,853
Fifth Kentucky.....	21,820,752	30,567,253
Sixth Kentucky.....	5,150,865	5,470,604
Seventh Kentucky.....	10,397,751	13,928,212
Eighth Kentucky.....	1,181,288	1,563,460
Ninth Kentucky.....	372,511	464,087
Louisiana.....	.....	.....
Third Maryland.....	3,589,747	3,851,107
Fourth Maryland.....	133,959	169,900
Third Massachusetts.....	114,976	121,276
Fifth Massachusetts.....	299,102	309,653
Tenth Massachusetts.....	32,176	40,388
First Missouri.....	70,534	35,485
Second Missouri.....	12,380	6,025
Fourth Missouri.....	7,721	4,240
Fifth Missouri.....	3,107	2,525
Sixth Missouri.....	112,870	114,182
Nebraska.....	198,284	195,293
New Hampshire.....	29,712	31,490
Third New Jersey.....	187,664	191,978
First New York.....	32,350	64,405
Twenty-first New York.....	29,461	19,188
Twenty-fourth New York.....	4,295	1,110
Thirtieth New York.....	220,910	260,363
Second North Carolina.....	1,726	553
Fourth North Carolina.....	5,053	1,831
Fifth North Carolina.....	47,991	12,639
Sixth North Carolina.....	85,173	73,286
First Ohio.....	1,569,850	1,384,717
Third Ohio.....	552,224	555,517
Fourth Ohio.....	64,362	66,176
Sixth Ohio.....	648,339	681,734
Seventh Ohio.....	56,459	45,858
Tenth Ohio.....	265,132	244,417
Eleventh Ohio.....	89,607	89,047
Fifteenth Ohio.....	11,736	5,863
Eighteenth Ohio.....	11,259	16,670
First Pennsylvania.....	701,044	617,039
Eighth Pennsylvania.....	41,198	41,858
Ninth Pennsylvania.....	132,532	294,919
Twelfth Pennsylvania.....	9,516	14,367
Fourteenth Pennsylvania.....	169,373	178,099
Sixteenth Pennsylvania.....	108,452	137,678
Twentieth Pennsylvania.....	29,101	32,121
Twenty-second Pennsylvania.....	4,422,394	5,367,879
Twenty-third Pennsylvania.....	2,069,860	2,675,326
South Carolina.....	5,677	2,587
Second Tennessee.....	10,666	4,283
Fifth Tennessee.....	1,424,392	1,355,403

District.	Gallons.	
	1881.	1882.
Eighth Tennessee	3,989	2,807
Third Texas	8,398	5,713
Fourth Texas	95	721
Third Virginia	810	.....
Fifth Virginia	6,749	3,094
Sixth Virginia	171,548	187,945
Second West Virginia	854,913	981,881
First Wisconsin	50,940	129,191
Third Wisconsin	155	539
Total	67,442,186	84,628,331

USE OF ALCOHOL IN THE ARTS AND MANUFACTURES.

The subjoined statement of alcohol used in the arts and manufactures is prepared from statements of collectors procured when the question of using such spirits for the purpose stated free of tax was under consideration during the first session of the Forty-seventh Congress. (See pages 31 and 32, No. 152, Vol. 13, Congressional Record.)

STATEMENT by DISTRICTS, and in PROOF-GALLONS, of the QUANTITY of ALCOHOL USED in the ARTS and MANUFACTURES during the year ended April 1, 1882; also the QUANTITY ESTIMATED which WOULD HAVE BEEN USED in CASE the TAX WERE 50 CENTS PER GALLON, and in CASE THERE WERE NO TAX.

District and State.	Quantity used and estimated.			By whom used.
	Actually used.	Estimates.		
		At 50 cts. tax.	At no tax.	
1. Alabama.....	4,900	7,994	13,235	Chemists, druggists, photographers.
2. Alabama.....	10,000	15,000	20,000	Not stated.
Arizona.....	1,308	1,308	1,308	Apothecaries, photographers, painters.
Arkansas.....	200	200	200	Not stated.
4. California.....	5,000	5,000	5,000	Central Pacific Railroad Company and others.
1. Connecticut.....	16,800	21,000	33,600	Not stated.
2. Connecticut.....	75,369	111,953	198,626	Not stated.
Colorado.....	7,822	9,148	13,045	Druggists and manufacturing chemists.
Dakota.....	4,000	4,000	4,000	Not stated.
Delaware.....	6,260	7,512	8,138	Not stated.
Florida.....				None, except small quantity by druggists.
2. Georgia.....	9,362	14,418	22,425	Druggists.
3. Georgia.....	43,350	43,350	54,187	Druggists, photographers, tobacco manufacturers.
Idaho.....	400	400	400	Druggists.
1. Illinois.....	41,917	43,777	46,730	Chemists, druggists; varnish, tobacco, white lead, and hat manufacturers, and photographers.
2. Illinois.....	16,500	16,500	16,500	Not stated.
4. Illinois.....	21,757	22,241	23,341	Not stated.
5. Illinois.....	5,000	5,500	5,500	Not stated.
7. Illinois.....	20,000	20,000	20,000	Not stated.
8. Illinois.....	13,812	15,867	18,032	Not stated.
13. Illinois.....	6,000	6,000	6,000	Not stated.
1. Indiana.....	15,511	21,472	40,338	70 per cent. by druggists in making tinctures; balance by manufacturers of furniture, machinery, photographs, and hats.
4. Indiana.....	4,000	4,000	4,000	Not stated.
6. Indiana.....	50,000	62,500	75,000	Not stated.
7. Indiana.....	16,948	20,116	22,538	Not stated.
10. Indiana.....	39,067	44,269	48,160	Railroads, machinists, brass founders, carriage manufacturers, druggists, photographers, perfumers, chemists, plumbers.
11. Indiana.....	12,500	12,500	12,500	Not stated.
2. Iowa.....	10,000	10,000	10,000	Druggists, photographers, and manufacturers of paints, oils and flavoring extracts, &c

STATEMENT by DISTRICTS and PROOF-GALLONS, &c.—Continued.

District and State.	Quantity used and estimated.			By whom used.
	Actually used.	Estimates.		
		At 50 cts. tax.	At no tax.	
3. Iowa.....	119,304	149,594	191,978	Four wholesale and 291 retail druggists and 180 photographers.
4. Iowa.....	30,000	30,000	30,000	Not stated.
5. Iowa.....	6,170	6,170	6,170	Ninety druggists.
..... Kansas.....	12,000	12,000	12,000	Druggists.
2. Kentucky.....				None.
5. Kentucky.....	25,000	30,000	75,000	Fifty leading business men.
6. Kentucky.....	2,000	2,000	2,000	Mostly by druggists in quantity, and by tobacco manufacturers trifling.
7. Kentucky.....	3,320	3,320	3,320	Eighty-three "places," principally druggists.
8. Kentucky.....				None.
9. Kentucky.....	2,000	2,000	2,000	Druggists and others.
..... Louisiana.....	58,500	62,450	308,450	Druggists, perfumers, photographers, and tobacco manufacturers.
..... Maine.....	130,000	130,300	131,800	Druggists and 1 varnish manufacturer.
3. Maryland.....	169,890	226,520	339,780	Druggists and others.
4. Maryland.....	3,328	4,363	5,366	Druggists and others.
3. Massachusetts.....	732,600	769,230	805,860	Not stated.
5. Massachusetts.....	250,000	275,000	400,000	Tobacco manufacturers, chemists, druggists, photographers, &c.
10. Massachusetts.....	104,350	104,550	106,350	Not stated.
1. Michigan.....	113,245	150,993	198,178	Manufacturing chemists principally.
3. Michigan.....	7,000	7,000	7,000	Not stated.
4. Michigan.....	10,000	10,000	10,000	Not stated.
6. Michigan.....	35,000	38,500	46,667	No large manufacturers using alcohol.
1. Minnesota.....	11,280	11,280	11,280	Retail druggists and photographers.
2. Minnesota.....	13,190	17,000	25,000	Not stated.
1. Missouri.....	217,100	352,600	628,100	Chemists, druggists, photographers; tobacco, vinegar, paints, hats, flavoring extracts.
2. Missouri.....	4,000	4,000	4,000	Not stated.
4. Missouri.....	2,072	2,400	2,850	Not stated.
5. Missouri.....	10,892	11,852	12,562	Druggists, photographers, tobacco manufacturers.
6. Missouri.....	14,800	14,920	18,870	Not stated.
..... Montana.....	1,500	1,500	1,500	Druggists and photographers.
..... Nebraska.....	1,500	1,500	1,500	Not stated.
..... New Hampshire.....	67,500	67,500	67,500	About 6,500 gallons by painters, photographers, and manufacturers; balance by druggists.
..... Nevada.....	1,500	1,500	1,500	Not stated.
1. New Jersey.....	1,000	1,000	1,000	Not stated.
3. New Jersey.....	4,500	4,500	4,500	Druggists, photographers, &c.
5. New Jersey.....	83,667	312,443	396,977	Not stated.
..... New Mexico.....	1,600	1,700	2,000	Not stated.
1. New York.....	137,240	149,840	184,000	Chemists, druggists, hatters, photographers; tobacco, picture-frame-varnish manufacturers.
2. New York.....	365,000	356,000	494,000	Not stated.
3. New York.....	55,422	55,422	83,133	Druggists and varnish manufacturers.
11. New York.....	35,229	44,036	52,843	Not stated.
12. New York.....	28,000	36,000	50,000	Not stated.
14. New York.....	135,000	200,000	275,000	Not stated.
15. New York.....	6,000	6,000	6,000	Druggists; no large manufacturers.
21. New York.....	4,500	5,000	5,000	Not stated.
24. New York.....	6,074	7,544	14,044	Not stated.
26. New York.....	1,800	1,800	1,800	Not stated.
28. New York.....	70,000	85,000	100,000	Patent-medicine and perfumery manufacturers, and small lots by hatters, tobacco manufacturers, photographers, &c.
30. New York.....	37,104	45,598	125,000	Manufacturers of medicines, vinegar, &c.
2. North Carolina.....	2,310	2,425	2,772	Not stated.
4. North Carolina.....	3,790	4,737	7,580	Not stated.
5. North Carolina.....	350	350	700	Not stated.
1. Ohio.....	73,297	118,241	247,978	Tobacco manufacturers, photographers, manufacturing chemists, druggists, hat manufacturers, varnish manufacturers, furniture, picture-frames, &c.
3. Ohio.....	10,405	13,960	20,720	Not stated.
4. Ohio.....	11,281	11,847	15,200	Druggists and manufacturers.
6. Ohio.....	2,818	2,818	2,818	Druggists and one paint factory.
7. Ohio.....	8,840	8,840	8,840	Not stated.
10. Ohio.....	6,000	8,000	10,000	Not stated.
11. Ohio.....	5,000	5,000	5,000	Not stated.
18. Ohio.....	65,185	195,609	280,314	Not stated.
1. Pennsylvania.....	150,000	195,000	195,000	Manufacturing chemists, white-lead manufacturers, druggists, &c. Druggists and chemists 30,000, hat manufacturers.

STATEMENT by DISTRICTS and PROOF-GALLONS, &c.—Continued.

District and State.	Quantity used and estimated.			By whom used.
	Actually used.	Estimated.		
		At 50 cts. tax.	At notax.	
8. Pennsylvania	35,000	35,000	52,500	Photographers, machinists, plumbers.
9. Pennsylvania	8,000	8,000	10,000	Druggists, photographers, varnish manufacturers.
12. Pennsylvania	19,454	26,003	35,897	Not stated.
14. Pennsylvania	7,083	8,000	10,000	Not stated.
16. Pennsylvania	7,774	8,551	8,551	Not stated.
19. Pennsylvania	15,500	15,500	15,500	Druggists, perfumers, &c.
20. Pennsylvania	23,200	23,200	23,200	Druggists, artists, &c.
22. Pennsylvania	260	260	260	One tobacco manufacturer.
Rhode Island	150,000	150,000	150,000	Not stated.
South Carolina	450	450	450	Not stated.
2. Tennessee	15,000	15,000	15,000	Not stated.
5. Tennessee	19,625	30,000	100,000	Not stated.
8. Tennessee	13,000	17,000	20,000	Not stated.
1. Texas	5,000	5,000	5,000	Not stated.
3. Texas	200	200	200	Hatters and photographers.
4. Texas	8,351	8,351	8,351	One hundred and sixty-five druggists and photographers.
Utah	8,000	8,000	8,000	Photographers and druggists.
Vermont	19,306	19,306	19,306	Not stated.
2. Virginia	7,622	10,000	14,000	Not stated.
3. Virginia	14,120	14,120	17,650	Druggists and photographers, besides tobacco and cigar manufacturers, used 13,400 rum and rectified spirits.
4. Virginia	600	600	700	Not stated.
5. Virginia	2,800	4,200	5,000	Not stated.
6. Virginia	3,117	4,026	4,601	Not stated.
1. West Virginia	11,000	11,000	11,000	Druggists, 10,000; others, 1,000.
2. West Virginia	3,500	3,500	4,375	Not stated.
1. Wisconsin	2,000	2,000	2,000	Wholesale druggists and others.
2. Wisconsin	20,580	20,580	21,080	Druggists and perfumers.
3. Wisconsin	9,250	12,100	15,300	Not stated.
6. Wisconsin	10,000	10,000	10,000	Manufacturing chemists, druggists, tobacco manufacturers, &c.
Wyoming	2,000	2,500	2,750	Druggists and photographers.
Total	4,269,978	5,397,224	7,367,594	

OPERATIONS AT SPECIAL BONDED WAREHOUSES FOR STORAGE OF GRAPE BRANDY.

The following statement shows the quantity of grape brandy placed in special bonded warehouses, withdrawn therefrom, and remaining therein at the beginning and close of the fiscal year ended June 30, 1882, in taxable gallons:

	Gallons.	Gallons.	Gallons.
Remaining in warehouse July 1, 1881:			
First district of California	136,174		
Fourth district of California	80,475		
		216,649	
Removed for exportation and unaccounted for July 1, 1881:			
First district of California		675	
			217,324
Produced and bonded during the year:			
Produced and warehoused in first district	145,892		
Produced in fourth and warehoused in first district	45,614		
Produced and warehoused in fourth district	190,319		
		381,825	
Increase by re-gauge in fourth district		2	
Transferred from first district to fourth district	4,999		
Transferred from fourth district to first district	10,877		
		15,876	
			397,703
			615,027
Exported and accounted for during the year:			
First district of California		463	

Removed tax-paid during the year:	Gallons.	Gallons.	Gallons.
First district of California.....	108,907		
Fourth district of California.....	59,717		
		168,624	
Loss by re-gauge, act of May 28, 1880:			
First district of California.....	3,351		
Fourth district of California.....	2,216		
		5,567	
Transferred from first to fourth district.....	4,999		
Transferred from fourth to first district.....	10,877		
		15,876	
			190,530
Removed for exportation and unaccounted for June 30, 1882:			
First district of California.....		825	
Remaining in warehouse June 30, 1882:			
First district of California.....	220,687		
Fourth district of California.....	202,985		
		423,672	
			424,497
			615,027

Of the 381,825 gallons grape brandy bonded during the last fiscal year 145,892 gallons were produced in the first district and 235,933 gallons in the fourth district of California. The total product was 141,701 gallons more than in the previous year, while the amount removed tax-paid was 27,155 gallons larger than in 1881.

Of the quantity in warehouse June 30, 1882, 220,687 gallons were in the following warehouses in the first district of California:

No. 1. Bode & Danforth, at San Francisco.....	Gallons.
No. 2. Juan Bernard, at Los Angeles.....	153,587
No. 3. G. C. Carlon, at Stockton.....	47,203
	19,897
and 202,985 gallons were in the following-named warehouses in the fourth district of California:	
No. 1. George Lichthardt, at Sacramento.....	Gallons.
No. 2. J. F. Boyce, at Santa Rosa.....	100,936
No. 3. H. J. Lewelling, at Saint Helena.....	28,326
No. 4. John Tivnen, at Sonoma.....	58,764
	14,956

NUMBER OF BREWERIES AND NUMBER OF RECTIFIERS.

The following statement shows, by States and Territories, the number of breweries and rectifiers in the United States:

States.	Number of breweries.	Number of rectifiers.	States.	Number of breweries.	Number of rectifiers.
Alabama.....		3	Montana.....	24	1
Arizona.....	30	13	Nebaska.....	29	2
Arkansas.....			Nevada.....	41	2
California.....	241	92	New Hampshire.....	5	1
Colorado.....	34	8	New Jersey.....	53	15
Connecticut.....	24	16	New Mexico.....	6	1
Dakota.....	22		New York.....	349	204
Delaware.....	6	2	North Carolina.....	1	6
Florida.....			Ohio.....	177	107
Georgia.....	1	12	Oregon.....	43	5
Idaho.....	17	1	Pennsylvania.....	328	206
Illinois.....	130	95	Rhode Island.....	4	8
Indiana.....	68	11	South Carolina.....	2	1
Iowa.....	123	7	Tennessee.....	2	8
Kansas.....	21	3	Texas.....	23	8
Kentucky.....	34	53	Utah.....	18	2
Louisiana.....	10	26	Vermont.....		
Maine.....			Virginia.....	2	12
Maryland.....	71	67	Washington Territory.....	30	
Massachusetts.....	30	46	West Virginia.....	9	6
Michigan.....	134	12	Wisconsin.....	214	26
Minnesota.....	116	14	Wyoming.....	7	
Mississippi.....		1			
Missouri.....	72	65	Total.....	2,557	1,157

EXPORTS, DRAWBACKS, BANKS, AND ASSESSMENTS.

The subjoined tables give details of the exportation of the different articles subject to internal-revenue taxation, of the amount of drawback allowed, of the capital and deposits of banks and the assessments made thereon, and of the assessments made in regard to other objects of taxation.

EXPORTATION OF MATCHES.

The exportation of friction matches, proprietary articles, &c., under section 19 of the act of March 1, 1879, has been as follows:

	Number of articles.	Amount of tax.
Remaining unaccounted for June 30, 1881.....	235, 716	\$2, 723 52
Bonded during the year ended June 30, 1882	36, 066, 221	377, 269 54
	36, 301, 937	379, 993 06
Exported during the year	35, 974, 874	376, 446 34
Remaining unaccounted for June 30, 1882.....	327, 063	3, 546 72
	36, 301, 937	379, 993 06

DRAWBACK.

Following is a statement of drawback of internal-revenue taxes allowed on exported merchandise during the fiscal year 1882 :

Port.	Number of claims.	Proprietary articles.	Tobacco.	Cigars.	Fermented liquors.	Still.	Distilled spirits.	Total.
Baltimore.....	24	\$1, 106 14	\$35 20	\$96 25				\$1, 237 59
Boston.....	10	433 52			\$18 96			452 48
Laredo.....	1				46 25			46 25
Milwaukee.....	21				698 39			698 39
New York.....	695	29, 805 66	336 40		1, 505 72	\$20 00	\$1, 049 40	32, 717 18
New Orleans.....	32				917 73			917 73
Philadelphia.....	13	1, 220 40						1, 220 40
Richmond.....	1	258 16						258 16
San Francisco.....	89	774 14	4, 697 76	1, 309 87		40 00	917 10	7, 738 87
Saint Louis.....	18				726 13			726 13
Suspension Bridge.....	1	12 96						12 96
Troy.....	4	84 24						84 24
Total.....	909	33, 695 22	5, 069 36	1, 406 12	3, 913 18	60 00	1, 966 50	46, 110 38
Allowed 1881.....	749	28, 483 87	8, 596 60	1, 232 43	1, 128 38	220 00	1, 161 90	40, 849 26

In connection with the foregoing statement I have to renew the recommendation made in my previous reports (1880, 1881), that section 3244, Rev. Stat., be so amended as to include distilling worms belonging to stills manufactured for export, which, like stills, are subject to a tax of \$20 each. Also, that an appropriation be made for the payment of drawback on articles exported under said section 3244, Rev. Stat. While a number of claims covering stills have been allowed by this office during the past three years, and by the authority conferred by section 3244, yet the claimants in such cases have been unable to recover the amount of drawback so awarded them by this office, in consequence of the failure of Congress to make the necessary appropriation. While the amounts due these claimants are not large, the promise made by the law to this class of tax-payers should, nevertheless, be redeemed, and I urgently call attention to this matter, in order that the payment of these claims may be provided for.

* * * * *

ASSESSMENTS ON BANK CAPITAL AND DEPOSITS.

Following is a statement of the amount of taxes assessed on the capital and deposits of banks and bankers during the twelve months ended May 31, 1882:

States and Territories.	Banks and bankers.		Savings banks.		Total.
	On capital.	On deposits.	On capital.	On deposits.	
Alabama.....	\$5,839 30	\$17,948 37			\$23,787 67
Arizona.....	667 63	4,151 93			4,819 56
Arkansas.....	870 02	3,676 88			4,546 90
California.....	65,843 62	216,066 91	\$6,395 02	\$42,458 96	330,764 51
Colorado.....	5,523 87	24,853 52			30,377 39
Connecticut.....	14,928 06	32,758 41		9,016 29	55,622 70
Dakota.....	1,755 87	4,694 83			6,450 70
Delaware.....	2,757 66	4,936 78		62 22	7,756 66
Florida.....	617 23	4,019 63			4,636 86
Georgia.....	17,630 05	21,798 84		1,788 54	41,217 43
Idaho.....	60 18	267 10			327 28
Illinois.....	60,964 61	243,969 46	203 02	477 78	305,614 87
Indiana.....	18,710 22	81,967 22		418 18	101,095 62
Iowa.....	28,713 93	116,070 59	153 28	99 74	145,037 54
Kansas.....	11,563 14	39,852 91			51,416 08
Kentucky.....	54,530 46	85,866 42			140,396 88
Louisiana.....	10,399 88	27,722 44	269 52		38,491 84
Maine.....	320 33	3,965 56		295 96	4,581 85
Maryland.....	14,267 39	52,254 41	152 84	643 72	67,258 36
Massachusetts.....	26,003 59	80,942 16		467 16	110,352 91
Michigan.....	14,549 72	90,850 78	750 00	2,391 76	108,542 26
Minnesota.....	15,713 58	52,324 60		683 44	68,721 62
Mississippi.....	4,513 64	11,869 92			16,383 56
Missouri.....	47,968 84	264,901 79			312,870 63
Montana.....	2,738 92	7,693 87			9,772 79
Nebraska.....	6,444 71	20,059 54			26,504 25
Nevada.....	1,164 45	8,790 54			9,954 99
New Hampshire.....	251 67	264 25	442 12	2,458 27	3,416 31
New Jersey.....	3,614 23	20,244 70		431 85	24,290 78
New Mexico.....	117 94	3,894 13			3,999 07
New York.....	316,477 65	1,202,128 77		3,706 67	1,522,313 29
North Carolina.....	2,794 69	3,632 98			6,427 67
Ohio.....	29,235 54	194,364 19	638 75	396 81	224,485 29
Oregon.....	3,571 56	12,844 66			16,416 22
Pennsylvania.....	63,699 16	448,742 97	2,490 28	4,560 60	513,833 10
Rhode Island.....	13,396 90	25,591 43		14,230 99	53,219 32
South Carolina.....	2,708 94	8,782 55	150 00	5 71	11,647 20
Tennessee.....	8,592 25	16,557 74			25,079 99
Texas.....	22,581 84	50,672 95			73,254 79
Utah.....	1,709 74	10,246 22			11,955 96
Vermont.....	1,361 51	12,375 46		85 75	13,822 75
Virginia.....	12,575 24	50,162 73	2,604 82	913 36	65,716 15
Washington.....	1,781 00	4,655 30			6,436 30
West Virginia.....	5,255 61	25,055 75			30,291 36
Wisconsin.....	10,905 35	103,296 09			114,201 44
Wyoming.....	825 15	3,661 96			4,487 11
Total.....	934,746 90	3,727,500 27	13,649 45	85,438 99	4,761,335 61

AVERAGE CAPITAL AND DEPOSITS FOR LAST FIVE FISCAL YEARS.

STATEMENT of the GROSS AMOUNTS of AVERAGE CAPITAL AND DEPOSITS of SAVINGS BANKS, BANKS, and BANKERS, other than NATIONAL BANKS, for the years ended May 31, 1878, 1879, 1880, 1881, and 1882.

	1878.	1879.	1880.	1881.	1882.
Capital of savings banks.....	\$5,699,530	\$9,597,392	\$1,991,801	\$1,187,396	\$3,832,828
Capital of banks and bankers.....	206,897,792	196,781,777	199,122,175	207,454,924	224,476,932
Deposits of savings banks.....	843,416,920	829,912,178	796,704,236	800,000,344	981,390,832
Deposits of banks and bankers.....	483,426,532	407,661,679	469,124,384	597,381,514	745,500,094
Total.....	1,539,350,514	1,434,951,868	1,460,007,090	1,699,090,378	1,955,100,686

BANK CAPITAL INVESTED IN BONDS.

The following is a statement of average capital and deposits of savings banks and the capital of banks and bankers other than national banks invested in United States bonds, compiled from the returns of said banks and bankers, for the years ended May, 1878, 1879, 1880, 1881, and 1882:

	1878.	1879.	1880.	1881.	1882.
Capital of savings banks	\$601,872	\$429,791	\$507,876	\$812,768	\$1,102,938
Capital of banks and bankers...	36,425,306	40,013,376	40,371,865	35,099,939	37,527,554
Deposits of savings banks.....	121,855,622	154,847,346	182,580,893	194,886,529	233,076,568
Total.....	158,882,800	195,290,513	223,460,634	230,799,236	272,304,060

MISCELLANEOUS ASSESSMENTS.

The following table shows the assessments made by the Commissioner of Internal Revenue during the fiscal years ended June 30, 1881, and June 30, 1882, respectively, and the increase or decrease on each article or occupation:

Article or occupation.	Amount assessed during fiscal year ended—		Fiscal year ended June 30, 1881.	
	June 30, 1881.	June 30, 1882.	Increase over 1881.	Decrease from 1881.
Tax on deficiencies in production of distilled spirits	\$48,494 36	\$108,951 24	\$60,456 88	.....
Tax on excess of materials used in the production of distilled spirits	3,547 10	7,730 78	4,183 68	.....
Tax on deposits and capital of banks and bankers and of savings institutions other than national banks	3,955,183 20	5,222,012 40	1,266,829 20	.....
Tax on circulation of banks and others	10,768 02	1,921 81	.....	\$8,866 21
Tax on distilled spirits fraudulently removed or seized	40,396 42	63,414 70	23,018 28	.....
Tax on fermented liquors removed from brewery unstamped	854 96	664 65	.....	190 31
Tax on tobacco, snuff, and cigars removed from factory unstamped	46,385 27	43,095 60	.....	3,289 67
Tax on proprietary articles removed unstamped	5,132 29	5,479 19	346 90	.....
Assessed penalties	143,862 78	193,145 24	49,282 46	.....
Legacies and successions	63,859 39	29,085 92	.....	34,773 47
Unassessed and unassessable penalties, interest, taxes previously abated, conscience money, and deficiencies in bonded accounts which have been collected, interest tax on distilled spirits; also, fines, penalties, and forfeitures, and costs paid to collectors by order of court or by order of Secretary, and unassessable taxes recovered; also, amount of penalties and interest received for validating unstamped instruments (Form 58)	275,524 93	285,250 80	9,725 87	.....
Special taxes (licenses)	60,411 59	61,415 03	1,003 44	.....
Tax on income and dividends	14,903 33	1,201 44	.....	13,701 89
Total	4,669,343 64	6,023,368 80	1,354,025 16	.....

The foregoing table shows that a decrease has occurred in the assessments of the following taxes as compared with the year ended June 30, 1881, viz:

On circulation of banks and others.

On fermented liquors removed from brewery unstamped and on tobacco, snuff, and cigars removed from manufactory in like manner.

On legacies and successions, and on incomes and dividends.

The reduction in the amount assessed on circulation, which has been principally the ten per centum tax, on notes issued by manufacturing establishments and used for circulation, shows how nearly this kind of currency has been supplanted by the legal money of the country. The small amount of only \$1,921.81 was assessed last year against \$10,788.02 in the previous fiscal year. It may be also stated that nearly all such notes on which the tax was assessed have already been withdrawn from circulation.

The reduction of taxes assessed on fermented liquors and tobacco, snuff, and cigars, removed from the place of manufacture unstamped, indicates a better observance of the law and regulations governing the taxation of these articles.

The reduction of the tax assessed on legacies and successions and on income and dividends is owing to the increased lapse of time since the repeal of the laws subjecting these objects to internal revenue taxation and to the fact that those taxes have been almost entirely collected.

The most remarkable increase exhibited in the above table is that of taxes assessed on the capital and deposits of banks, bankers, and savings institutions. The amount thus assessed was \$5,222,012.40 against \$3,955,183.20 of the year previous, showing an increase of \$1,266,829.20.

As stated in my last annual report, it had become known that several banks in the larger cities had, by misinterpretation of the law, understated in former reports the amount of their capital and deposits subject to tax. Investigations of these cases led to the discovery that such taxes, amounting to \$722,705, were due the United States.

Following up this discovery a circular letter was addressed in October, 1881, to each collector, requiring him to request from all banks in his district a re-examination of their former returns and to report as to their liability to additional taxation.

This request having been generally complied with, and voluntary additional returns made by the banks, assessments amounting to \$460,676.79 were made last year on this account. This amount, added to that previously ascertained, gives a sum of \$1,183,381.79 so far assessed as tax due from previous years. In addition thereto, an amount of \$25,546.22 was recovered in compromise which was not assessed. The total tax so far recovered by the government is therefore \$1,205,928.01.

Several cases have not yet been fully investigated and determined upon; it is therefore likely that some further and perhaps very heavy assessments will result therefrom.

Deducting, however, the above \$460,676.79 assessed as back taxes from the total amount assessed on capital and deposits last fiscal year, it still leaves the large amount of \$4,761,335.61 assessed against the banking business of last fiscal year, showing an increase over the previous one of \$806,152.41. Explanation of this fact is found in the enormous growth of the wealth of the country: the total average capital and deposits employed and held by banks and bankers other than national banks last year being \$1,955,190,686, an increase of \$256,100,308 over the previous year.

In explanation of the increase of tax assessed on deficiencies in the production of distilled spirits and on excess of materials used in such production, it may be stated that most of these assessments cover the unusually large production of distilled spirits in the year ended June 30, 1881. This also may be said in regard to the increased amount assessed on distilled spirits fraudulently removed or seized. A great number of distillers, who formerly carried on an illicit business, have recently

submitted to the law, have been regularly registered, and their shortcomings are now ascertained and assessed.

Of the amount reported as assessments of penalties, the larger proportion consisted of 100 per centum penalties assessed against banks under a decision of the United States circuit court for the southern district of New York (*German Savings Bank v. Joseph Archbold, collector*), for erroneous returns made. This decision having been reversed by the United States Supreme Court, the larger part of these assessments have been or will be abated.

ASSESSMENTS FOR 1882.

The following statement shows the amount of assessments in each of the several States and Territories of the United States during the fiscal year ended June 30, 1882, and includes the taxes assessed upon capital and deposits of banks and bankers:

Alabama	\$32,816 50	Montana	\$11,300 77
Arizona	6,946 79	Nebraska	32,634 18
Arkansas	7,655 02	Nevada	8,333 84
California	376,760 50	New Hampshire	20,852 51
Colorado	37,736 31	New Jersey	33,647 66
Connecticut	60,112 62	New Mexico	4,948 60
Dakota	7,370 03	New York	2,018,989 78
Delaware	8,589 04	North Carolina	63,052 02
Florida	6,366 30	Ohio	261,395 53
Georgia	61,073 40	Oregon	17,117 76
Idaho	639 81	Pennsylvania	585,936 43
Illinois	348,377 39	Rhode Island	54,022 96
Indiana	163,419 97	South Carolina	16,423 58
Iowa	158,107 40	Tennessee	56,419 81
Kansas	54,535 12	Texas	85,951 62
Kentucky	207,630 85	Utah	13,795 48
Louisiana	64,084 74	Vermont	16,175 01
Maine	11,242 47	Virginia	84,441 54
Maryland	77,948 97	Washington	7,654 47
Massachusetts	206,773 21	West Virginia	34,838 46
Michigan	121,081 51	Wisconsin	124,618 80
Minnesota	70,944 47	Wyoming	4,821 42
Mississippi	17,515 20		
Missouri	358,833 95	Total	6,023,368 80

Very respectfully,

GREEN B. RAUM,
Commissioner.

Hon. CHAS. J. FOLGER,
Secretary of the Treasury.

REPORT OF THE COMPTROLLER OF THE CURRENCY.

TREASURY DEPARTMENT,
OFFICE OF THE COMPTROLLER OF THE CURRENCY,
Washington, December 2, 1882.

I have the honor to submit for the consideration of Congress the twentieth annual report of the Comptroller of the Currency, in compliance with section 333 of the Revised Statutes of the United States.

The number of national banks organized during the year ending November 1, 1882, has been 171, with an aggregate authorized capital of \$15,767,300. Circulating notes have been issued to these associations amounting to \$6,500,680. This is the largest number of banks organized in any year since 1872, and they are located in the following States and Territories:

States and Territories.	No. of banks.	Capital.	Circulation issued.	States and Territories.	No. of banks.	Capital.	Circulation issued.
Maine.....	3	\$150,000	\$117,000	Illinois.....	13	\$1,200,000	\$375,750
New Hampshire..	2	200,000	180,000	Michigan.....	6	850,000	306,000
Massachusetts...	2	400,000	108,000	Wisconsin.....	5	325,000	153,000
Connecticut.....	2	200,000	162,000	Iowa.....	13	1,125,000	505,790
New York.....	14	1,302,000	774,000	Minnesota.....	6	550,000	76,500
Pennsylvania.....	10	865,000	357,300	Kansas.....	10	600,000	217,790
Maryland.....	2	350,000	45,000	Nebraska.....	15	1,050,000	593,970
Virginia.....	3	305,300	139,500	Colorado.....	4	270,000	144,000
West Virginia...	1	100,000	45,000	Oregon.....	1	50,000	45,000
Mississippi.....	1	75,000	67,500	Utah.....	2	150,000	99,000
Louisiana.....	1	100,000	90,000	Montana.....	4	325,000	104,000
Texas.....	8	325,000	160,640	Wyoming.....	1	200,000	45,000
Arkansas.....	1	50,000	11,240	New Mexico.....	2	100,000	54,000
Kentucky.....	6	1,010,000	219,600	Dakota.....	6	310,000	135,000
Missouri.....	3	305,000	103,500	Washington.....	3	250,000	81,000
Tennessee.....	5	305,000	166,500	Arizona.....	1	100,000	30,600
Ohio.....	10	1,650,000	639,000	California.....	1	190,000	.....
Indiana.....	4	320,000	148,500				
				United States....	171	15,767,300	6,500,680

These banks are located by geographical divisions as follows: Eastern States, nine banks with a capital of \$950,000; Middle States, twenty-six, with a capital of \$2,517,000; Southern States, twenty-nine, with a capital of \$2,775,300; Western States, eighty-six, with a capital of \$7,940,000; Pacific States and Territories, twenty-one, with a capital of \$1,585,000.

Nineteen banks, with an aggregate capital of \$1,855,000 and circulation of \$1,440,800, have voluntarily discontinued business during the year. The number of banks organized and in voluntary liquidation as given, is exclusive in each case of those banks which have gone into voluntary liquidation during the year and have been succeeded by other banks, with the same or nearly the same shareholders.

Three national banks, since November 1, have been placed in the hands of receivers, making 87 in all since the establishment of the system. The total number of banks which have voluntarily closed their affairs by vote of shareholders owning two-thirds of their stock, under sections 5220 and 5221 of the Revised Statutes, has been 414; 72 of this number have gone into liquidation within the past year, of which 53

were closed by their stockholders for the purpose of organizing new banks, and all but three of this latter number in anticipation of the near approach of the expiration of their corporate existence.

The shareholders of six banks permitted their corporate existence to expire, and these associations are in liquidation under section 7 of the act of July 12, 1882. National banks are organized in every State of the Union and in every organized Territory. The total number in operation on October 3 last was 2,269—the largest number that has ever been in operation at any one time.

The following table exhibits the resources and liabilities of the national banks at the close of business on the 3d day of October, 1882, the returns from New York City, from Boston, Philadelphia, and Baltimore, from the other reserve cities, and from the remaining banks of the country, being tabulated separately:

	New York City.	Boston, Phila- delphia, and Baltimore.	Other reserve cities.*	Country banks.	Aggregate.
	50 banks.	102 banks.	91 banks.	2,026 banks.	2,269 banks.
RESOURCES.					
Loans and discounts.....	\$239,041,892	\$201,937,503	\$146,282,464	\$631,024,666	\$1,238,286,525
Overdrafts.....	168,482	69,476	372,403	4,366,393	4,916,694
Bonds for circulation.....	22,105,150	52,548,050	26,472,700	276,565,850	357,691,750
Bonds for deposits.....	820,000	661,000	3,883,000	10,747,000	16,111,000
U. S. bonds on hand.....	3,545,950	472,400	3,803,750	13,492,650	21,314,750
Other stocks and bonds.....	12,692,046	8,117,294	4,895,608	40,463,909	66,168,917
Due from reserve agents.....	17,763,418	17,763,418	15,446,614	89,064,106	133,277,228
Due from other national banks.....	19,258,506	13,136,707	9,198,735	26,922,833	68,516,841
Due from other banks and bankers.....	3,087,918	1,126,884	3,364,283	9,526,363	17,105,468
Real estate, furniture, and fix- tures.....	10,671,839	6,501,659	4,660,660	25,302,908	46,537,066
Current expenses.....	1,092,203	826,941	852,296	4,466,190	7,238,260
Premiums.....	665,549	444,529	762,201	4,642,816	6,515,155
Checks and other cash items.....	2,809,544	1,337,993	1,076,034	9,560,449	14,784,025
Exchanges for clearing-house.....	174,929,476	24,148,573	8,384,529	966,952	208,366,540
Bills of other national banks.....	1,634,685	2,753,321	2,466,461	13,834,958	20,689,425
Fractional currency.....	43,131	31,210	50,428	271,599	396,368
Specie.....	44,523,884	15,343,221	12,966,381	39,024,299	112,857,778
Legal-tender notes.....	16,956,390	6,727,782	11,310,659	28,286,396	63,281,267
U. S. certificates of deposit.....	1,970,000	3,175,000	2,890,000	840,000	8,675,000
Five per cent. redemption fund.....	963,990	2,353,504	1,163,961	11,336,634	15,818,093
Due from U. S. Treasurer.....	620,828	78,065	108,325	368,303	1,345,521
Totals.....	557,541,532	359,557,535	259,812,295	1,222,922,314	2,399,833,676
LIABILITIES.					
Capital stock.....	51,650,000	79,298,330	46,060,905	363,674,888	480,104,213
Surplus fund.....	21,314,109	22,501,193	11,641,671	76,521,677	131,967,551
Undivided profits.....	13,970,754	6,712,526	5,288,721	35,298,569	61,180,310
National bank notes outstand- ing.....	19,270,285	46,467,247	22,365,298	226,618,385	314,721,215
State bank notes outstanding.....	47,446	35,154	108,577	1,088,577	1,271,777
Dividends unpaid.....	228,865	944,097	157,931	1,087,043	2,158,886
Individual deposits.....	325,268,304	151,959,431	119,163,216	526,082,132	1,122,472,682
U. S. deposits.....	425,115	397,200	2,563,517	5,431,579	8,817,411
Deposits of U. S. disbursing officers.....	127,364	20,983	567,154	2,912,343	3,627,847
Due to national banks.....	90,104,275	38,461,312	29,048,962	22,461,201	180,075,750
Due to other banks and bankers.....	35,134,415	12,084,059	20,619,577	12,047,601	79,885,652
Notes and bills rediscounted.....		220,000	879,906	4,647,709	5,747,615
Bills payable.....		459,000	1,436,947	2,952,570	4,848,517
Totals.....	557,541,532	359,557,535	259,812,295	1,222,922,314	2,399,833,676

*The reserve cities, in addition to New York, Boston, Philadelphia, and Baltimore, are Albany, Pittsburgh, Washington, New Orleans, Louisville, Cincinnati, Cleveland, Chicago, Detroit, Milwaukee, Saint Louis, and San Francisco.

The following table exhibits, in the order of their capital, the twenty States having the largest amount of capital, together with the amount of circulation, loans and discounts, and individual deposits of each, on October 3, 1882:

States.	Capital.	Circulation.	Loans and discounts.	Individual deposits.
Massachusetts	\$95,552,500	\$4,572,889	\$190,155,794	\$114,297,392
New York	87,399,345	47,506,345	245,378,784	409,904,724
Pennsylvania	71,165,000	40,618,546	176,444,800	148,500,586
Ohio	51,000,000	29,808,000	74,442,871	60,734,873
Connecticut	25,100,000	17,317,565	43,488,889	24,953,466
Rhode Island	20,100,000	14,100,000	30,078,658	11,400,515
Illinois	18,880,000	8,700,000	73,117,769	60,763,033
Maryland	18,022,000	8,793,523	31,575,651	23,006,278
Indiana	18,021,500	8,117,370	27,585,461	24,942,872
New Jersey	12,578,350	9,769,701	31,481,551	28,606,052
Kentucky	11,421,350	9,198,631	19,593,643	11,506,117
Michigan	10,865,000	5,793,152	28,005,849	26,238,875
Maine	10,305,000	8,090,233	18,937,910	10,433,752
Vermont	7,780,000	6,487,305	12,186,775	5,955,461
Iowa	7,135,000	4,063,116	17,793,344	16,169,065
New Hampshire	6,080,000	5,147,345	8,137,442	4,569,085
Minnesota	5,920,000	1,906,694	17,907,894	14,045,218
Missouri	4,980,000	1,883,200	12,800,000	9,608,139
Tennessee	3,715,000	2,780,500	8,441,324	7,590,120
Virginia	3,263,000	2,647,100	10,444,317	10,293,467

COMPARATIVE STATEMENTS OF THE NATIONAL BANKS FOR ELEVEN YEARS.

The following table exhibits the resources and liabilities of the national banks for eleven years, at nearly corresponding dates, from 1872 to 1882, inclusive:

	Oct. 3, 1872.	Sept. 12, 1873.	Oct. 2, 1874.	Oct. 1, 1875.	Oct. 2, 1876.	Oct. 1, 1877.	Oct. 1, 1878.	Oct. 2, 1879.	Oct. 1, 1880.	Oct. 1, 1881.	Oct. 3, 1882.
	1,919 banks.	1,976 banks.	2,004 banks.	2,087 banks.	2,089 banks.	2,080 banks.	2,053 banks.	2,048 banks.	2,090 banks.	2,132 banks.	2,269 banks.
RESOURCES.											
	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>
Loans.....	877.2	944.2	954.4	984.7	931.3	891.9	834.0	878.5	1,041.0	1,173.8	1,243.2
Bonds for circulation	382.0	388.3	383.3	370.3	337.2	336.8	347.6	357.3	357.8	360.8	357.6
Other U. S. bonds...	27.6	23.6	28.0	28.1	47.8	45.0	94.7	71.2	43.6	56.5	37.4
Stocks, bonds, &c...	28.5	23.7	27.8	33.5	34.4	34.5	26.9	39.7	44.9	61.9	66.2
Due from banks...	128.2	149.5	134.8	144.7	146.9	129.9	138.9	167.3	213.5	230.8	198.9
Real estate.....	32.3	34.7	38.1	42.4	49.1	45.2	46.7	47.8	43.0	47.3	46.5
Specie.....	10.2	19.9	21.2	8.1	21.4	22.7	30.7	42.2	109.3	114.3	102.9
Legal-tender notes	102.1	92.4	80.0	76.5	84.2	66.9	64.4	69.2	56.6	53.2	68.2
U. S. bank notes...	15.8	16.1	18.5	18.3	15.9	15.6	16.9	10.7	18.2	17.7	20.7
C. H. exchanges...	125.0	100.3	109.7	87.9	100.0	74.5	82.4	113.0	121.1	189.2	208.4
U. S. cert. of deposit	6.7	20.6	42.8	48.8	29.2	33.4	32.7	23.0	7.7	6.7	8.7
Due from U. S. Treas.	.....	.....	20.3	19.6	16.7	16.9	14.5	17.9	17.1	17.5	17.2
Other resources...	25.2	17.3	18.3	19.1	19.1	28.7	24.9	22.1	23.0	26.2	28.9
Totals.....	1,755.8	1,830.6	1,877.2	1,882.2	1,827.2	1,741.1	1,767.3	1,868.2	2,105.8	2,358.4	2,399.8
LIABILITIES.											
Capital stock.....	479.6	491.0	493.8	504.8	499.8	479.5	466.2	454.1	457.6	469.8	483.1
Surplus fund.....	110.3	120.3	129.0	134.1	143.2	133.0	116.9	114.8	120.5	128.1	137.0
Undivided profits...	46.6	54.5	53.0	33.0	46.4	44.5	41.9	41.3	36.1	36.2	61.2
Circulation.....	335.1	343.2	343.0	330.1	283.2	291.9	301.9	313.8	311.3	320.2	313.9
Due to depositors...	628.9	640.0	638.8	679.4	683.2	680.4	668.4	736.9	708.0	711,083.1	714.9
Due to banks.....	143.8	173.0	173.8	179.7	179.8	161.6	165.1	261.2	200.0	204.9	200.0
Other liabilities...	11.5	11.5	9.1	11.8	10.6	10.4	7.9	6.7	8.5	11.9	13.7
Totals.....	1,755.8	1,830.6	1,877.2	1,882.2	1,827.2	1,741.1	1,767.3	1,868.2	2,105.8	2,358.4	2,399.8

In the Appendix will be found a table, showing the principal resources and liabilities on October 3, 1882, of the banks in the States, Territories, and reserve cities, arranged in eight divisions.

NUMBER, CAPITAL, AND DEPOSITS OF NATIONAL BANKS, STATE AND SAVINGS-BANKS, AND PRIVATE BANKERS.

Section 333 of the Revised Statutes of the United States requires the Comptroller to present annually to Congress a statement of the condition of the banks and savings-banks organized under State laws. Returns of capital and deposits are made by these institutions and by private bankers semi-annually, to this department for purposes of taxation. From these returns the following table has been compiled, exhibiting, in concise form, by geographical divisions, the total average capital and deposits of all the State and savings-banks and private bankers of the country, for the six months ending May 31, 1882:

Geographical divisions.	State banks and trust companies.			Private bankers.			Savings banks with capital.			Savings banks without capital.	
	No.	Capital.	Deposits.	No.	Capital.	Deposits.	No.	Capital.	Deposits.	No.	Deposits.
		<i>Mill's.</i>	<i>Mill's.</i>		<i>Mill's.</i>	<i>Mill's.</i>		<i>Mill's.</i>	<i>Mill's.</i>		<i>Mill's.</i>
New England States..	40	8.32	24.96	104	7.13	9.42	2	.09	.77	418	421.35
Middle States	205	40.56	225.51	1014	62.19	113.08	8	.61	5.07	173	473.26
Southern States	246	25.37	48.47	293	6.37	19.98	6	.53	1.23	2	1.15
Western States and Territories.....	521	42.54	153.06	1980	38.56	153.14	22	2.63	34.17	29	34.07
United States...	1012	116.79	452.00	3391	114.25	295.62	38	3.86	41.24	622	929.83

The capital of the 2,239 national banks in operation on July 1, 1882, as will be seen by a table in the Appendix, was \$477,184,390, not including surplus, which fund at that date amounted to more than \$131 millions of dollars; while the average capital of all the State banks, private bankers, and savings-banks, for the six months ending May 31, 1882, was but \$234,929,976. The latter amount is less than two-fifths of the combined capital and surplus of the national banks.

The table below exhibits the capital and net deposits of the national banks on July 1, 1882, together with the aggregate average capital and deposits of all classes of banks other than national, for the six months ending May 31, 1882:

Geographical divisions.	State banks, savings-banks, private bankers, &c.			National banks.			Total.		
	No.	Capital.	Deposits.	No.	Capital.	Net deposits.	No.	Capital.	Deposits.
		<i>Millions.</i>	<i>Millions.</i>		<i>Millions.</i>	<i>Millions.</i>		<i>Millions.</i>	<i>Millions.</i>
New England States.	564	15.5	456.5	557	105.7	191.4	1121	181.2	647.9
Middle States	1400	103.4	816.9	686	173.3	572.8	2086	276.7	1,389.7
Southern States	547	32.3	70.8	200	32.9	62.0	747	65.2	132.8
Western States and Territories	2552	83.7	374.5	796	105.3	305.5	3348	189.0	680.0
United States..	5063	234.9	1,718.7	2239	477.2	1,131.7	7302	712.1	2,850.4

The total number of banks and bankers in the country at the date named was 7,302, with a total banking capital of \$712,114,366, and total deposits of \$2,850,678,178.

In the Appendix will be found similar tables for various periods from 1875 to 1882. On a subsequent page in this report, under the head of "State banks, savings banks, and trust companies," will be found tables showing the resources and liabilities of these corporations for the present year, and in the Appendix similar results for previous years.

A table arranged by States and principal cities, giving the number, capital, and deposits, and the tax thereon, of all banking institutions other than national and of the private bankers of the country, for the six months ending May 31, 1882, and for previous years, will also be found in the Appendix.

The following table exhibits, for corresponding dates nearest to May 31 in each of the last seven years, the aggregate amounts of the capital and deposits of each of the classes of banks given in the foregoing table:

Years.	National banks.			State banks, private bankers, &c.			Savings banks with capital.			Savings banks without capital.			Total.	
	No.	Capital.	Deposits.	No.	Capital.	Deposits.	No.	Capital.	Deposits.	No.	Deposits.	No.	Capital.	Deposits.
1876...	2091	<i>Mill's.</i> 500.4	<i>Mill's.</i> 713.5	3803	<i>Mill's.</i> 214.0	<i>Mill's.</i> 480.0	26	<i>Mill's.</i> 5.0	<i>Mill's.</i> 37.2	691	<i>Mill's.</i> 844.6	6611	<i>Mill's.</i> 719.4	<i>Mill's.</i> 2,075.3
1877...	2078	481.0	768.2	3799	218.6	470.5	26	4.9	38.2	676	843.2	6579	704.5	2,120.1
1878...	2056	470.4	677.2	3769	202.2	413.3	23	3.2	26.2	668	803.3	6459	675.8	1,920.0
1879...	2048	455.3	713.4	3629	197.0	397.0	29	4.2	36.1	644	747.1	6360	656.5	1,893.5
1880...	2076	455.9	900.8	3798	190.1	501.5	29	4.0	34.6	649	783.0	6302	650.0	2,219.9
1881...	2115	466.2	1,039.9	4016	206.5	627.5	36	4.2	37.6	629	862.3	6796	670.9	2,667.3
1882...	2239	477.2	1,131.7	4403	231.0	747.6	38	3.9	41.3	622	929.8	7302	712.1	2,850.4

EXTENSION OF THE CORPORATE EXISTENCE OF NATIONAL BANKS.

Section 11 of the national-bank act of February 25, 1863, provides that—

Every association formed pursuant to the provisions of this act may make and use a common seal, and shall have succession by the name designated in the articles of association, and for the period limited therein, not, however, exceeding twenty years from the passage of this act.

Ninety-eight national banks organized under this act were entitled, under their organization papers, to continue for nineteen years only, and the corporate existence of 307 other banks will expire on or before the close of business on February 24, next.

The Comptroller recommended in his last report—

That an act be passed during the present session, authorizing any national bank, with the approval of the Comptroller, at any time within two years prior to the date of the expiration of its corporate existence, to extend its period of succession for twenty years, by amending its articles of association. The bill may provide that such amendments must be authorized by the votes of stockholders owning not less than two-thirds of the capital of the association, the amendment to be certified to the Comptroller of the Currency, by the president or cashier, verified by the seal of the association, and not to be valid until the Comptroller's approval thereof shall have been obtained, and he shall have given to the association a certificate authorizing it to continue its business under such extension. Responsibility for the extension of the corporate existence of the banks will thus, in a measure, rest with the Comptroller; and he can require such an examination of their affairs to be made prior to granting the extension, as may seem to him proper, in order to ascertain if the capital stock is intact, and all the assets of the bank in a satisfactory condition.

If, for any reason, the legislation herein proposed shall not be favorably considered by Congress, the banks can still, under the present laws, renew their existence if they so desire; and in the absence of prohibitory legislation many of them undoubtedly will, on the expiration of their present charters, organize new associations, with nearly the same stockholders as before, and will then apply for and obtain from the Comptroller certificates authorizing them to continue business for twenty years from the respective dates of their new organization certificates. Such a course of procedure will be perfectly legal, and, indeed, under the existing laws, the Comptroller has no discretionary power in the matter, but must necessarily sanction the organization, or reorganization, of such associations as shall have conformed in all respects to the legal requirements.

The passage, however, of a general act directly authorizing an extension of the corporate existence of associations whose charters are about to expire would, in many instances, relieve the banks from embarrassment. As the law now stands, if the shareholders of an association are all agreed, the process of reorganization is simple; but if any of the shareholders object to such reorganization, they are entitled to a complete liquidation of the bank's affairs, and to a *pro rata* distribution of all its assets, including its surplus fund. In many instances executors and administrators of estates hold national-bank stock in trust; and while they might prefer to retain their interests in the association which issued the stock, they would perhaps have no authority to subscribe for stock in the new organizations. While, therefore, the legislation asked for is not absolutely essential, yet its passage at an early day would be a great convenience to many of the national banks, and especially so to the class last referred to.

Some doubts having been expressed in reference to the right of the shareholders of national banks whose corporate existence had expired to organize new associations with the same names as those which had just expired, the opinion of the Attorney-General was requested on this point, and on the 23d of February, 1882, an opinion was given, in which he said:

The present national banking laws do not forbid the stockholders of an expiring corporation from organizing a new banking association, nor from assuming the name of the old corporation, with the approval of the Comptroller of the Currency, and, in the absence of any prohibition to that effect, no legal obstacle to the formation of a new association by such stockholders, and the adoption of the name of the old association, would, in my opinion, exist.

He also said:

I do not know of anything to prevent a national banking association, upon the expiration of the period limited for its duration, from being converted into a State bank under the laws of the State, provided it has liquidated its affairs agreeably to the laws of Congress; nor after it has thus become a State bank, to prevent such bank from being converted back into a national banking association under section 5154 of the Revised Statutes, and adopting the name of the expired corporation, with the approval of the Comptroller of the Currency. To enable a State bank so to reconvert itself into a national banking association, authority from the State is not necessary.*

In conformity with this opinion, fifty banks have been organized to succeed other institutions whose corporate existence has expired and which had previously given notice of liquidation. These banks have in most cases been organized with the same title as that of the banks which had been placed in liquidation and by the same stockholders.

Soon after the assembling of the present Congress a bill was introduced for the extension of the corporate existence of national banks, embodying the recommendations of the Comptroller. It was subsequently reported to the House from the committee with important amendments, and, after continued discussion, passed on May 30, 1882, by a vote of 125 to 67.[†] The bill was amended in the Senate in many particulars, and passed that body on June 22, 1882, by a vote of 34 to 14.[‡] and was subsequently passed in the House July 10, upon the report of the con-

*Casey v. Galli, 94 U. S., 673.

†Congressional Record No. 120, p. 25.

‡*Ibid.*, No. 147, p. 32.

ference committee, yeas 110, nays 79, not voting 101,* and received the approval of the President on July 12, 1882.

The act provides for the extension of the corporate existence of all national banks for twenty years by amending their articles of association, which amendment shall be authorized by the consent in writing of shareholders owning not less than two thirds of the capital stock of the association. It provides that the Comptroller, upon receipt of the application of the bank and the amendment certified by the association, shall cause a special examination to be made to determine its condition, and authorizes him to grant his certificate for the proposed extension, if the condition of the association is found to be satisfactory. It provides that any shareholder not assenting to the amendment of the articles of association may give notice in writing to the directors, within thirty days of the date of the certificate of approval of the Comptroller, that he desires to withdraw from said association, in which case he is entitled in accordance with the method provided in the act to receive from said association the value of the shares; that in the organization of any association intended to replace any existing banking association and retaining the name thereof, holders of stock in the expiring association shall be entitled to preference in the allotment of the shares of the new bank in proportion to the number of shares held by them respectively in the expiring association; that the circulating notes of the association extending its period of succession, which were issued to it previous to such extension, shall be retired by redemption at the Treasury; that at the end of three years from the date of such extension lawful money shall be deposited by the bank with the Treasurer for the redemption of the circulation then outstanding; that any gain that may arise from the failure to present such circulating notes for redemption shall enure to the benefit of the United States; that new notes shall be issued to the banks thus extending, bearing such devices as shall make them readily distinguishable from those previously issued and that national banks whose corporate existence has expired or shall hereafter expire, which do not avail themselves of the privilege of extension, shall give notice of liquidation and deposit lawful money for the retirement of their circulating notes as required by law. It also provides for the extension of the franchise of expiring associations for the sole purpose of liquidation until their affairs are finally closed. The other provisions of the act in reference to national banks are general in their character and do not exclusively apply to banks whose corporate existence is extended by its provisions.

Immediately upon the passage of this act appropriate blanks were prepared for the use of those banks whose corporate existence was about to expire, and new circulating notes were subsequently issued to such institutions as conformed to the law. The note of the denomination of five dollars has for its vignette the portrait of the late President Garfield. The faces of the notes of other denominations are similar to those previously issued, but all the new notes have, as a distinctive feature, the charter number engraved six different times in the border, so that the name of the bank issuing the note may be ascertained from fragments thereof. The charter number of each bank is also printed conspicuously in the center of the reverse or back of each note. The brown and green colors of the back of the new notes are said to be a protection against the arts of the photographer and counterfeiter, and

* *Ibid.*, July 11, 1882.

are printed upon the new distinctive paper which has given general satisfaction.

Under the act of July 12, 1882, 30 banks have already extended their corporate existence, and nearly all of the banks which were organized under the act of February 25, 1863, have already given notice of their intention to take advantage of the act. The total number of banks whose corporate existence either has expired, or would have expired if no action had been taken by their stockholders, is 86, having a capital of \$18,877,500, and surplus of \$6,994,854, and circulation of \$12,840,010. Of these 50 were placed in liquidation by their stockholders previous to the date of the expiration of their corporate existence, and all but two before the passage of the act of July 12, 1882. The stockholders of 45 of these liquidating banks organized new associations with the same name; those of four organized new associations with different names, and those of one did not perfect any new organization. The corporate existence of six of the 86 banks first mentioned expired* without having been previously put into liquidation. The united stockholders of three of these banks perfected new organizations with the same name, and in the case of two others a portion of the stockholders organized new associations with different names, while those of one took no action. The stockholders of the remaining 30 of the 86 banks mentioned, which are all of the banks whose corporate existence has expired since the passage of the act of July 12, 1882, have extended under this act.

The number of national banks yet in operation at the date of this report, organized under the act of February 25, 1863, is 307, and their corporate existence will expire on the following dates:

Date.	No. of banks.	Capital.	Circulation.
December, 1882.....	10	\$1, 420, 000	\$1, 278, 000
January, 1883.....	3	400, 000	360, 000
February, 1883.....	294	69, 793, 250	53, 222, 170

Section 8 of the act of June 3, 1864, provides that each association—

Shall have power to adopt a corporate seal, and shall have succession by the name designated in its organization certificate, for the period of twenty years from its organization, unless sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless the franchise shall be forfeited by a violation of this act.

Under the previous act, banking associations were entitled to succession for twenty years from the date of the passage of the law; but under the act of 1864, each association was entitled to an existence of twenty years from the date of its organization certificate. The Merchants' National Bank of Boston was the first association to organize under the act of June 3, 1864, and its organization was followed by the conversion of 28 other banks in the city of Boston and 22 in the city of Philadelphia during the same year, and by the conversion of 38 banks in the city of New York during the year 1865.

The provisions of the act of July 12, 1882, relating to the extension of the corporate existence of national banking associations, have proved to be well adapted to the purpose for which they were intended. They are simple in form and appear to be readily understood by the banks.

* These banks were, however, revived for purpose of liquidation by section 7 of the act of July 12, 1882.

The whole number of banks now in operation which organized under the act of June 3, 1864, whose periods of succession will expire during each year previous to 1900 is 1608, with capital and circulation as follows:

Years.	No. of banks.	Capital.	Circulation.
1884	249	\$89,611,570	\$60,526,825
1885	794	188,286,715	125,635,450
1886	19	2,715,300	1,758,250
1887	6	1,100,000	976,500
1888	11	1,300,000	719,100
1889	3	600,000	540,000
1890	63	9,300,500	6,419,950
1891	165	13,293,900	9,180,280
1892	165	13,035,600	8,441,270
1893	39	4,740,000	3,849,400
1894	68	7,688,000	5,864,150
1895	83	10,567,000	7,740,180
1896	24	2,018,800	1,552,500
1897	29	3,619,000	2,151,000
1898	27	2,649,000	2,208,000
1899	43	4,930,000	3,910,901
Totals	1,608	374,845,985	241,474,355

One advantage in extending the corporate existence of associations under this law, over the only method possible previous to its passage, is in the retention of the surplus fund.

Thus, in the case of the fifty-four banks which have been liquidated, either under sections 5220 and 5221, or under section 7 of the act of July 12, 1882, by their stockholders, in order to organize new associations, the surplus was reduced from \$5,510,067 to \$2,559,252.

The aggregate surplus of the thirty banks extending their existence under the act of July 12, 1882, has slightly increased.

COIN AND PAPER CIRCULATION OF THE UNITED STATES.

On another page, tables similar to those which have been given in the three preceding annual reports are published, exhibiting the amounts of gold and silver coin and paper currency which were in the Treasury, in the banks, and in the hands of the people at the time of the resumption of specie payments, and on the 1st of November of each year since that date.

The total amount of the circulating medium of the country on November 1 is given as follows:

Treasury notes outstanding	\$346,681,016
National bank notes outstanding	362,727,747
Gold in the Treasury, less certificates held by the banks ..	148,435,473
Standard silver dollars in the Treasury	92,414,977
Subsidiary silver coin and silver bullion in the Treasury ..	30,761,985
Coin in the national banks	102,362,063
Coin in State and savings banks	17,892,500
Estimated amount of coin held by the people	387,562,793
Total	1,488,838,554

The estimated total currency of the country on November 1 thus appears to have been more than fourteen hundred and eighty-eight millions,

which is four hundred and thirty-three millions in excess of the amount held on January 1, 1879, and one hundred and eighty-six millions in excess of the amount held two years ago—on November 1, 1880. The gain in gold coin since the resumption of specie payments has been two hundred and eighty-eight millions, and in gold and silver coin three hundred and ninety-four millions. The increase in national bank notes has been nearly thirty-nine millions.

No change has been made in the amount of legal-tender notes outstanding. It remains at \$316,681,016, which was the amount outstanding at the date of the passage of the act of May 31, 1878, which prohibited any further reduction of the volume of these notes.

The act of January 14, 1875, required the Secretary of the Treasury on and after January 1, 1879, to redeem in coin these notes, on their presentation at the office of the Assistant Treasurer in the city of New York, in sums of not less than fifty dollars. In order that he might always be prepared to do this, he was "authorized to use any surplus revenue from time to time, in the Treasury not otherwise appropriated, and to issue, sell, and dispose of, at not less than par, in coin," any of the five, four and a half, and four per cent. bonds authorized by the act of July 14, 1870. This act is still in force, and gives the Secretary unlimited power with which to provide for the redemption in coin of the legal-tender notes. He is thus enabled, so long as the credit of the government continues good, to check, by the sale of United States bonds, any exportation of coin which might endanger the redemption of United States legal-tender notes.

These notes were issued at a time when the expenditures of the government were in excess of its revenue. Its receipts now so largely exceed its expenditures that more than 148 millions of the public debt was paid during the past year. The only reason that can be advanced for the increase of these issues, would be that they may be substituted for other forms of public debt, and the only method by which they can now be disbursed is in payment of United States bonds, at a time when the bonds are being paid from the surplus revenue at a rate unprecedented in the history of nations. It is evident that whatever difference of opinion may have heretofore existed upon the subject, so long as the revenue shall continue to supply more money than is needed for expenditures, there can be no sufficient reason for the authorization by Congress of an increase of these notes.

The act of July 12, 1882, has again inaugurated the policy of issuing gold certificates. These substitutes for coin are hereafter to be issued against deposits of coin in the Treasury, and, together with certificates for silver deposited in like manner, are authorized to be included in the reserves of the banks, and to be used as clearing-house certificates in the cities where clearing-houses are established. They will not increase the amount of the currency in the country, but, by saving the cost of transporting specie from one point to another, will render the stock of specie more available for use by the banks and the people.

The Comptroller, in his report for 1881, in elaborate tables giving the receipts of banks upon two different days, showed that the proportion of money required for the transaction of business throughout the whole country was about five per cent. of the total receipts, the remaining ninety-five per cent. being in checks and drafts. There has been during the current year an increase of 171 in the number of national banks in operation, and during the three preceding years the increase was 314. During the current year 36 additional State banks and 353 private bankers have commenced business. The rapid increase in these places of

deposit brings into use a larger number of the small checks of depositors, and largely diminishes the use of the circulating medium. These depositories, and the amount of capital employed in banking, notwithstanding the excessive taxation imposed upon this business, nearly keep pace with the advance in the population and wealth of the country; but the increase in the receipts and payment of banks and bankers, made by checks and drafts, shows the absurdity of the theory that the money required for business purposes, should bear a fixed proportion to the population or to the wealth of the country.

The same causes which have operated to bring about a rapid reduction of the public debt have also tended to increase the circulating medium. The large imports of coin, in excess of exports, together with the products of the mines, have filled the channels of circulation. The circulation during the past year has undoubtedly been much larger than at any period since the organization of the government. The per capita of circulation is larger, and it is probable that its proportion to wealth is greater than at any previous time. It is undoubtedly large enough to supply the legitimate demands of business; and it is probable that the addition to the coin of the country, since the resumption of specie payments, has been in advance of such demands. There has been no complaint of scarcity of money which cannot probably be traced to those engaged in speculative business, and however great the aggregate of the circulating medium may become, complaints of scarcity will always be heard from those who desire a rise in prices.

No other nation economises the use of its circulating medium as does this, and it is probable that but a slight annual increase in the amount of national bank notes outstanding will hereafter be required, provided that the exports of coin are not greatly in excess of imports, and the receipts from our increasing revenue, in excess of the requisite reserve, are kept in circulation and not hoarded in the Treasury.

The interest-bearing bonded debt of the United States has been rapidly reduced since 1869, at which time the funding of the miscellaneous obligations of the government had been successfully accomplished. The reduction of this debt during the twelve years ending June 30, 1881, has been more than six hundred and forty-eight millions (\$648,403,668) and the amount of interest paid more than one thousand two hundred and seventy millions (\$1,270,596,781); the average annual payment of the principal being \$54,033,639, and of interest, \$105,883,065. The annual average reduction in the interest-bearing debt during the last three years, ending November 1, has been \$126,295,346. The reduction during the past year was \$148,648,550.

The successful refunding of the five and six per cents as they matured, at first into four and four and one-half per cents, and subsequently into three and one-half per cents, and during the last year into three per cents, together with the rapid reduction of the debt, has had the effect of renewing the discussion as to the permanency of the national banking system, and its ability under existing laws to supply the additional circulation which may be hereafter annually required. The banks hold 40 millions of three and one half per cents, and nearly 180 millions of three per cents as security for their circulation. If the debt should hereafter continue to be reduced at the same rate as during the last year, all of these bonds will be called for payment in less than three years, and it will be necessary for the banks holding such called bonds, either to deposit lawful money for the purpose of retiring two hundred millions of their circulation, or to purchase four or four and one half per cents, or

Pacific Railway six per cents, which are now at a high premium in the market.

Many plans have been suggested for the purpose of supplying the deficiency in bank circulation, which it is probable will arise as these bonds are paid.

The systems of banking in operation previous to the establishment of the national banking system, and particularly those known as the "charter" and "safety-fund" systems, have been brought forward for discussion, and opinions have been expressed that under the general restrictions of the national banking system, or with increased limitations, it would be advisable for Congress to authorize the issue of circulating notes based upon the capital, the assets, and the individual liability of stockholders, without requiring, as heretofore, the actual deposit of securities in the Treasury for such issues. It has been suggested if the circulation issued be considerably less than the actual capital paid up, and if the bill holder be entitled to a first lien upon all the assets of the bank, and to the amount which may be collected upon the individual liability of the shareholder, that the people would be abundantly secure from any loss upon the circulation so issued by the banks. As supplementary to this proposition, it has also been suggested that the banks be required to hold not less than the minimum amount of bonds now provided by law, which is estimated not to exceed 100 millions of dollars, and that in addition they be required to deposit ten per cent. upon their capital in coin with the Treasurer as a safety fund, and that they shall continue to receive each other's notes in payment of obligations due them.

It is not probable that the stockholders of those banks which do not desire to issue circulation, would be willing to continue business upon the condition that they should contribute so large an amount to a fund intended to insure the public against the issues of fraudulent or badly-managed institutions. It is suggested, however, that the proposition would be improved if banks desiring to issue circulation be required to contribute to such a fund a percentage upon the circulation issued, instead of a percentage upon capital. If this fund, amounting to, say, 30 millions, be held in United States three per cent. bonds instead of coin, and the losses from the circulation of insolvent banks be small, the interest, in the course of a few years, if retained as proposed, would amount to a considerable sum. The large fund on deposit in the Treasury for the purpose of redeeming the notes of national banks retiring circulation now amounts to more than 38 millions. If it should be thought expedient to invest a considerable portion of this fund in three per cents, thus releasing it from the Treasury, the income might also be added to the safety fund. The gain resulting from the failure on the part of the public, to present for redemption national bank notes which are being retired by an act of the present Congress, accrues to the benefit of the government, and it is estimated will amount to not less than from three to five millions during each twenty years. This gain might also properly be included in the proposed safety fund, and in the course of a few years these funds, by reinvestment, would increase to so large an amount, that the securities required to be deposited by the banks could be largely diminished.

The foregoing propositions have no precedents in any form of general legislation heretofore known in this country. Circulation authorized upon similar plans has heretofore been issued to banks which have been specially chartered, and not to banks organized under a general law.

Nearly every State in the Union has had its experience in authorizing

the issue of bank notes, based exclusively upon the capital and assets of the banks issuing the same; and many States have required the accumulation of a safety fund for the protection of the public from unsecured and uncurrent bank notes. In most cases circulation was authorized to be issued by such banks equal to the capital; sometimes the amount issued was less; sometimes it largely exceeded the capital.

The Suffolk system in the New England States, which was perhaps as good a system as could be desired to protect a bank circulation not secured by bonds, by a prompt and vigorous redemption of the notes, kept them in a healthy state, but the annual losses upon bank circulation, even in the New England States, up to the time of the organization of the national banking system, were by no means inconsiderable. Notwithstanding the restrictions then existing, banks of circulation were organized with but little capital paid in, and notes, either worthless or irredeemable, were placed in circulation at points remote from the places of issue. In New York under the safety fund system, and previous thereto, losses to the bill holders frequently occurred, and in other States, almost without exception, such losses were large, and have usually been estimated to have been, in the aggregate, not less than five per cent. annually of the whole amount outstanding. It is true that there are in England, Ireland, and Scotland 119 private and joint-stock banks, with many branches, which are authorized to issue circulation based upon their capital, but their authorized circulation is only about 100 millions of dollars. Thirty-five banks, with numerous branches in the Dominion of Canada, are also authorized to issue circulation in a similar manner, but the total circulation of these banks does not exceed 35 millions. Most of these are banks which have been in existence for many years, and were organized under special charters, and the liability of the shareholders in many cases, particularly in Great Britain, is unlimited.

No State or nation has ever authorized the organization of banks under a general banking law, with the right to issue circulating notes proportionate to capital, except under a restriction requiring the deposit with the government of securities as the basis for the issue of such notes. Banks in this and in other countries, which have been authorized to issue circulating notes without security, have been those organized under special charters, and in granting such charters the means and character of the applicants and proposed stockholders are subject to investigation by committees and legislators. Propositions for the issue of circulation without the fullest security cannot be too carefully considered. The security of the national bank note under the present system is perfect. In twenty years not a single bank note has failed to be redeemed at its face value. Banks organized under a general law, located so often at great distances from commercial centers, render a security for circulation of uniform and positive value an absolute necessity. It is evident that the authorizing of more than three thousand banks, under a general or free banking law, to issue circulation without security, located in a country having such extensive territory as our own, would result disastrously.

Under the present banking system it is difficult in all cases to prevent the organization of banks with deficient capital, but if such banks are organized, at least no injury can happen from the issue of their circulating notes. The failure to pay the capital is almost certain soon to be ascertained, when such associations can be summarily closed, or required to make good the deficiency. If under the proposed system, banks should be organized with deficient capital and receive circula-

tion, an irreparable injury would be accomplished before the worthless character of the assets could be ascertained. It would be practically impossible for any government officer to prevent unprincipled men from organizing and controlling such associations for the purpose of benefiting themselves at the expense of the holders of their circulating notes.

There are in this country more than a thousand State banks and trust companies, and nearly thirty-four hundred private bankers. The temptation would be strong, on the part of these corporations and individuals, to organize banks of circulation, if circulation could be obtained without depositing bonds as security therefor. The value of the different notes issued would depend upon the management of the bank and character and standing of the different stockholders. Many notes would be at a discount in exchange for coin, and the failure of one bank to pay its notes, would throw discredit upon the whole volume of bank circulation and the system under which such banks were organized. If the issue of circulation were confined to a few banks, organized by men of character, integrity, and means, such associations would be characterized as a monopoly. Even if corporations are organized upon the condition that all should contribute a percentage of the circulation to a safety fund for the protection of the aggregate circulation, there is danger that the issues of fraudulent or badly-managed banks would soon consume the safety fund, and it is evident that the circulation would be paid, if at all, at the expense of the depositor, who would be, in some cases, stripped of the dividends which under existing laws are distributed to unfortunate creditors.

Under the national banking system, it is provided that the circulation issued shall first be paid from the proceeds of the bonds deposited to secure the same. The proceeds of the remaining assets are distributed pro rata among the creditors. Eighty-seven national banks, in all having an aggregate capital of \$19,262,600, have failed during the last twenty years, and since the organization of the system. The amount of circulation to which these banks were entitled under existing laws, namely, ninety per cent. upon capital, is \$17,336,340, which is a less amount in the aggregate than the amount of dividends which will have been paid to the creditors of these insolvent institutions. Forty-four of these banks, having a capital of \$10,094,000, would each have paid in full their circulation, if ninety per cent. had been issued upon their capital, from the proceeds of their assets, and would also have paid small dividends to their depositors. The remaining forty-three insolvent banks, having a capital of \$9,168,600, would in the aggregate have paid, it is estimated, seventy-five per cent. only, from the avails of their assets upon the circulation authorized; entailing a loss upon the bill-holders of over \$2,000,000, and leaving no assets whatever for the benefit of the depositors, whose claims are \$9,043,605, and upon which dividends will be paid averaging, it is estimated, sixty-eight per cent. While these forty-three banks would in the aggregate have paid seventy-five per cent. to the bill-holders, about one-half of this number would have paid on the average from the avails of their assets not exceeding fifty per cent. of the amount of their circulating notes.

The losses which the holders of the notes of insolvent banks would have experienced under the national banking system, if securities had not been required to have been deposited, would have been small in comparison with the whole circulation. But the fact that such losses would have occurred in so many banks, and that, too, at the expense of the depositors under a system with so many safeguards and restrictions, is

an argument from experience against any proposition to issue notes for circulation under any general system, without requiring sufficient security, which cannot easily be answered.

If the public debt is to be paid hereafter as rapidly as during the past three years, all of the interest-bearing bonds will soon be surrendered and canceled, and there is danger that the bank circulation will be so rapidly retired as to cause a contraction of the currency which will affect the price of commodities and create embarrassments in business: but there is now no such pressing necessity for a speedy payment of the public debt as there is for the reduction of the redundant revenue. It is believed that Congress will soon provide for so large a reduction of the revenue that a sufficient amount of bonds will remain for the security of the bank circulation.

The national banks held, on November 1, bonds for circulation, not payable at the pleasure of the government, as follows:

Four and one-half per cent. bonds	\$23,754,650
Pacific Railway sixes	3,526,000
Four per cent. bonds	104,917,500
Total	132,198,150

None of these bonds will be payable until nine years hence, in the year 1891. The total amount of bonds outstanding, held by the banks and by the people, which are available for circulation, and not payable at the pleasure of the government, and cannot be redeemed except by purchase in the market, is as follows:

Four per cents., payable July 1, 1907	\$738,929,600
Four and one-half per cents., payable September 1, 1891	250,000,000
Pacific Railway sixes, payable September 1, 1895	\$3,000,000
Pacific Railway sixes, payable September 1, 1896	8,000,000
Pacific Railway sixes, payable September 1, 1897	9,712,000
Pacific Railway sixes, payable September 1, 1898	23,383,000
Pacific Railway sixes, payable September 1, 1899	*14,526,512
	64,623,512
	1,053,553,112

These bonds, including the Pacific sixes, amount to nearly 1,054 millions, and are abundantly sufficient as a basis for banking during the next twenty years. In fact, one-fourth of this debt, exclusive of the 142 millions held by the banks, is sufficient to supply a basis for the bank notes now outstanding. The law provides that any bank may reduce the amount of its bonds held as security for circulation, to an amount not less than \$50,000, and, by an act of the present Congress, banks having a capital of \$150,000 or less can reduce their bonds to a minimum of one-fourth of their capital. The aggregate amount of bank circulation outstanding has not been reduced for a series of years, as may be seen from the following table, which gives the total amount of the national bank circulation outstanding on the 1st of June and 1st of November of each year since 1873:

Date.	National bank notes.	Date.	National bank notes.
June 1, 1874	\$251,870,102	November 1, 1874	\$254,077,246
June 1, 1875	254,335,479	November 1, 1875	258,910,802
June 1, 1876	266,000,990	November 1, 1876	271,141,008
June 1, 1877	279,000,207	November 1, 1877	278,227,291
June 1, 1878	277,668,685	November 1, 1878	277,467,715
June 1, 1879	276,303,141	November 1, 1879	277,100,312
June 1, 1880	276,187,704	November 1, 1880	277,001,107
June 1, 1881	274,131,708	November 1, 1881	360,344,250
June 1, 1882	270,870,661	November 1, 1882	362,727,717

*\$483,512 of this amount is payable in 1900, and \$1,050 in 1902.

The above table exhibits the total circulation actually outstanding, which includes the notes of the insolvent banks, of those in voluntary liquidation, and of those which have deposited lawful money for the purpose of reducing their circulation.

The circulation of the banks in operation during the present year has, however, by the payment of the bonds held as security and the voluntary retirement of bank notes, been reduced from \$320,200,069 to \$314,721,215, as will be seen from the table below, which gives, by geographical divisions, the amount of notes outstanding of the banks in operation in the month of October yearly since 1877.

	1877.		1878.		1879.	
	No. of banks.	Circulation.	No. of banks.	Circulation.	No. of banks.	Circulation.
New England States.....	543	\$107,308,787 00	543	\$112,106,441 00	547	\$117,088,368 00
Middle States.....	633	102,562,331 00	635	109,134,919 00	641	113,121,339 00
Southern States.....	176	20,604,171 00	176	21,837,670 00	175	23,478,426 00
Western States.....	693	58,542,738 00	663	55,850,523 00	649	56,921,027 00
Pacific States and Territories	35	2,856,209 00	36	2,958,539 00	36	3,177,182 00
	2,080	291,874,236 00	2,053	301,888,092 00	2,048	313,786,342 00

	1880.		1881.		1882.	
	No. of banks.	Circulation.	No. of banks.	Circulation.	No. of banks.	Circulation.
New England States.....	550	\$121,460,013 00	554	\$123,764,682 00	558	\$119,658,618 00
Middle States.....	657	110,765,602 00	668	111,639,689 00	686	109,039,214 00
Southern States.....	179	24,305,338 00	185	24,698,702 00	208	25,105,793 00
Western States.....	660	57,048,761 00	673	56,268,899 00	743	56,376,988 00
Pacific States and Territories	44	3,770,322 00	52	3,828,097 00	74	4,540,602 00
	2,090	317,350,036 00	2,132	320,200,069 00	2,269	314,721,215 00

The reduction from January 1 to July 1 of the present year was still greater, and amounted to more than 16 millions, but the amount has again increased, as is usual in the fall season of the year. Banks, during the year, have been frequently called upon to surrender their bonds to the Secretary for payment. In such cases the three and the three and one-half per cents have usually been substituted or the circulation surrendered. The amount of four and four and one-half per cents held as security for bank notes have, however, during the year increased more than 14 millions.

The banks hold, as has been seen, 220 millions of dollars of United States bonds which are subject to the call of the government, and these bonds can be replaced only by other bonds bearing a high premium, and payable after a fixed date. If these latter bonds are not substituted for the former, the circulation of the banks will be reduced about 200 millions.

The profit upon circulation upon the four and four and a half per cent. bonds, where the rate of interest is six per cent., is not much in excess of three-fifths of one per cent., and where the rates of interest are above eight per cent. the profits are nominal, and are not sufficient to induce the banks to purchase large amounts as security for circulation. Where the profits are so small there is a serious objection to the investment of

so large an amount of capital in premium, which, in the case of four per cent. bonds, amounts to one-fifth of the face value of the bonds.

If the whole public debt were reduced to a uniform rate of three per cent., the present high premium upon bonds would almost entirely disappear, and the volume of circulation would respond more readily to the demands of business. The temptation to sell such bonds for the purpose of realizing the premium would no longer remain. A proposition for refunding all the bonds, not payable at the pleasure of the government, into three per cents. was suggested during the last session of Congress. The proposition is that inducements be offered to the holders of the four and four and one-half per cent. bonds to surrender them to the government, receiving in payment therefor three per cent. bonds having the same dates of maturity as the bonds which are to be surrendered. The new three per cent. bonds issued would themselves bear a small premium, and it is believed that the holders of four per cents. would consent to such an exchange if accompanied by an offer of not more than fifteen per cent. premium. The amount of the premium upon this class of bonds, say 700 millions, now outstanding at fifteen per cent. would be 105 millions of dollars, and this premium could be paid, as the bonds are surrendered for exchange, from the surplus revenue of the government, thus in effect reducing the debt of the government 105 millions by a prepayment of interest which must be paid at a greater rate each year until their maturity.

The benefits of this plan both to the holder and to the government are apparent. The holders would receive, in the shape of fifteen per cent. premium upon the bonds, a portion of their interest in advance, which would be available for loans at rates greatly exceeding the borrowing power of the government, which is now less than three per cent. The government would be enabled by this use of its surplus to save a portion of the interest which otherwise it would be compelled to pay hereafter.

The market price of the four per cent. twenty-five-year bonds is now 119.20, which indicates a market estimate of a borrowing rate of interest of 2.92 per cent. per annum to the government. At this rate the present value of one per cent. of interest upon each \$100 bond annually for twenty-five years, relinquished by the holder, is \$17.70. If the holder accepts fifteen dollars as an equivalent for these twenty-five annual payments, instead of \$17.70—a reduction of \$2.70 from the market estimate of the value—the government will practically purchase from the holder of the bond at a four and one-half per cent. rate of interest instead of at 2.92 per cent. In other words, the present value of the twenty-five one dollar annual payments relinquished by the holder, when computed at the rate of 2.92 per cent. per annum, is worth \$17.70; but computed at the rate of four and one-half per cent. is worth only \$15, a premium which, it is believed, the holders would be willing to accept; and if the government be able to invest its surplus revenue at a rate so favorable to itself as four and one-half per cent., there would seem to be good reason for Congress to provide the necessary legislation for authorizing an arrangement which can also be shown to be of advantage to the holders of the four per cent. bonds.

One alternative would be to reduce the tax upon circulation to one-half of one per cent. per annum, and another to amend section 12 of the act of July 12, 1882, so as to authorize the banks to receive circulation at the rate of ninety per cent. upon the average current market value of the bonds for the six months previous. If the bonds shall decline in the market, additional bonds may be required to be deposited, or the

interest may be retained by the Treasurer upon notice from the Comptroller to make up the deficiency. Such an amendment has frequently been suggested, and, in fact, the original national bank act authorized the issue of circulating notes to the amount of 90 per centum of the current market value of United States six per cent. bonds deposited, provided that such 90 per centum was not in excess of the amount of the bonds at their par value, or in excess of the paid-in capital stock. That law also provided for the deposit of additional bonds or money upon their depreciation, or the suspension of payment of interest upon the bonds held, so long as the depreciation should continue.

It is submitted that the issue of circulation upon four and four and a half per cents at ninety per cent. upon their current market value, under a restriction similar to that last mentioned, is equally safe with the issue of ninety per cent. upon the three per cents now outstanding at par; or that a reduction of the tax upon circulation to one-half of one per cent., or to an amount sufficient to reimburse the Treasury for the whole expense of the issue of bank circulation and all expenses incident thereto, is not unreasonable in view of the fact of the large reduction upon the income derived from United States bonds, amounting to more than two per cent. since this tax was imposed.

Either of these plans is feasible and would prevent a sudden contraction of the currency, by bringing into possession of the banks a sufficient amount of bonds to supply the circulation which is needed, and is certainly greatly to be preferred to the propositions for a large increase in legal-tender notes—if such issues were practicable—or to the issue of bank circulation without a deposit of bond security under restrictions however stringent.

If, however, it shall be the policy of the government to accumulate the revenue instead of largely reducing it, thus rendering it necessary to continue the rapid reduction of the debt even if it is to be purchased at the price fixed by the holders, it is of the greatest importance that the basis upon which the bank currency is issued should be enlarged so as to include some other form of security besides government credit.

The national banking system has been in operation nearly twenty years, and may be said to have not yet attained its majority. It is part of the machinery of the government. Its advantages have been well tested in good and in evil times, and during the searching and acrimonious discussions of the last ten years, the final result of which has been the legislation of the present Congress authorizing the extension of the period of succession of each one of these institutions for twenty years from the date of the expiration of its corporate existence. The Comptroller, while he believes it is for the best interests of the government to continue the national banking system, subject to such improvements as shall hereafter be authorized by Congress, is after all of opinion that it would be better that the circulation should diminish in volume, than that the issue should be increased at the risk of placing in the hands of the poorer classes uncurrent and irredeemable circulation, or of giving to associations organized by unscrupulous men an opportunity to use an excellent system of banking for bad purposes.

The national banking system was established with a view to uproot other and evil systems, and nothing but the heroic legislation of taxing bad issues of circulation out of existence, which was passed in the interests of the government during a great war, could have accomplished this purpose. By increasing the rate of issue upon the bonds pledged by the banks as security for their circulation, or by reducing the tax upon bank notes, or by a proper refunding of the debt,

and reducing the revenue derived in many instances from unjust and burdensome taxation, the system may continue for twenty-five years, or until the maturity of the four per cents; but it is far better that the right to issue notes should be gradually discontinued than that so good a system should be used to bring again upon the country the very evils which were experienced at the time of its organization, twenty years ago.

DISTRIBUTION OF COIN AND PAPER CURRENCY.

In the reports of the Comptroller for the three years preceding 1882, tables have been given showing the amount of coin and currency, and its distribution in the Treasury, in the banks, and in the hands of the people on January 1, 1879, the date of the resumption of specie payments, and on November 1 of that and each succeeding year. These tables are again presented, the amounts on November 1, 1882, having been added.

From November 1, 1881, to November 1, 1882, the production of gold by the mines of the United States is estimated at \$43,359,021, and the amount of gold exported from the country, in excess of the amount imported, has been \$36,122,536. The difference, \$7,236,485, is the increase during the year. The Director of the Mint estimates that \$2,700,000 of this amount has been used in the arts, leaving \$4,536,485 as the increase in the stock of gold remaining in the country and available for circulation. The total excess of imports of gold over exports, from the date of resumption to November 1, 1882, has been \$161,311,578, and the total gold product of the mines of the United States for the same period is estimated to have been \$147,509,021. This is the first year since 1879 during which the exportation of gold has exceeded the importation. During the last two months (September and October, 1882) the imports have, however, slightly exceeded the exports.

The amount of standard silver dollars coined during the year has been \$27,657,175, and the total amount coined up to November 1, 1882, since the passage of the law of February 28, 1878, authorizing their coinage, has been \$128,329,880.

The following table shows the amount of coin and currency in the country on January 1, 1879, and on November 1 of the years 1879, 1880, 1881, and 1882:

	January 1, 1879.	November 1, 1879.	November 1, 1880.	November 1, 1881.	November 1, 1882.
Gold coin*.....	\$278,310,126	\$355,681,532	\$453,882,692	\$502,568,971	\$567,103,456
Silver coin*.....	106,573,803	126,009,537	158,320,911	186,687,365	217,834,325
Legal-tender notes.....	346,681,016	346,681,016	346,681,016	346,681,016	346,681,016
National-bank notes.....	323,791,674	337,181,418	343,834,107	360,344,399	362,727,747
Totals.....	1,055,356,619	1,165,553,503	1,302,718,726	1,455,631,692	1,488,336,554

There has been no change in the aggregate of legal-tender notes outstanding, which remains as fixed by the act of May 31, 1878. National-bank notes have increased \$2,383,497 during the year; the amounts of gold and silver coin have increased \$4,536,485 and \$26,280,970, respectively, making a total increase in coin and currency of \$33,200,952.

The table below gives the portion of coin and currency held by the United States Treasury, and by the national and State banks. The amounts in the Treasury are for the same dates as in the preceding

* Estimate of Director of the Mint, which includes bullion in process of coinage.

table, and those in the national banks are for the dates of the bank returns nearest thereto, viz, January 1 and October 2, 1879, October 1, 1880 and 1881, and October 3, 1882. The amounts in the State banks, trust companies, and savings banks have been compiled in this office from official reports for the nearest obtainable dates.

	January 1, 1879.	November 1, 1879.	November 1, 1880.	November 1, 1881.	November 1, 1882.
GOLD.					
In the Treasury, less certificates	\$112,703,342	\$156,907,986	\$133,679,349	\$167,781,909	\$148,435,473
In national banks, including certificates	35,039,201	37,187,238	102,851,032	107,222,169	94,127,324
In State banks, including certificates	10,937,812	12,171,292	17,102,130	19,901,491	17,892,500
Total gold	158,680,355	206,266,516	253,632,511	294,905,569	260,455,297
SILVER.					
In the Treasury, standard silver dollars	17,249,740	32,115,073	47,156,588	66,576,378	92,414,977
In the Treasury, bullion	9,121,417	3,824,931	6,185,000	3,424,575	4,012,503
In the Treasury, fractional coin	6,048,194	17,854,327	24,635,561	25,984,687	26,749,482
In national banks	6,460,357	4,986,492	6,495,477	7,112,567	8,234,739
Total silver	38,879,908	58,780,823	84,472,626	103,098,207	131,411,701
CURRENCY.					
In the Treasury, less certificates	44,425,655	21,711,376	18,221,826	22,774,830	26,224,248
In national banks, including certificates	126,491,720	118,546,369	86,439,925	77,630,917	92,549,767
In State banks, including certificates	25,944,485	25,555,280	25,828,794	27,391,317	27,086,482
In savings banks	14,513,779	15,880,921	17,072,680	11,782,243	14,724,978
Total currency	211,375,639	181,693,946	147,563,225	139,579,307	160,580,475
Grand totals	408,935,902	446,741,285	485,668,362	537,583,083	552,447,473

If the amounts of gold and silver coin and of currency in the above table—that is, the amounts of these items in the Treasury and the banks—be deducted in each case from the amounts of gold and silver coin and currency in the country, as shown in the first table, the remainder will be, approximately, the amounts which are in the hands of the people, as follows:

	January 1, 1879.	November 1, 1879.	November 1, 1880.	November 1, 1881.	November 1, 1882.
Gold	\$119,629,771	\$149,415,016	\$200,250,181	\$267,663,402	\$306,650,159
Silver	67,693,895	67,228,714	73,848,285	82,939,158	80,912,634
Currency	459,097,051	502,168,488	542,951,898	567,445,959	548,828,288
Totals	646,420,717	718,812,218	817,050,364	918,048,519	936,391,081

The gold in the Treasury, including bullion in the process of coinage, has decreased during the year \$19,346,436, and in the banks \$15,103,846. The paper currency in the Treasury has increased \$3,449,418, and in the banks \$17,557,650. The increase of gold outside of the Treasury and the banks has been \$38,986,757, and the decrease of paper currency, exclusive of silver certificates, \$18,617,671. In the foregoing tables the silver certificates issued by the Treasury have not been included, but the standard silver dollars held for their redemption on presentation

form a portion of the silver coin in the Treasury. The silver certificates in the hands of the people and the banks, at dates corresponding with those given in the preceding tables, were as follows:

January 1, 1879	\$413,360
November 1, 1879	1,604,370
November 1, 1880	19,780,240
November 1, 1881	58,838,770
November 1, 1882	65,620,450

It will be seen that the amount of these certificates in circulation has increased only \$6,781,680 during the past year, and if this whole increase were held outside of the banks, it would not offset the decrease of \$18,617,671 in other forms of paper currency in the hands of the people, for which coin has been substituted.

As before stated, the total amount of standard silver dollars coined up to November 1, 1882, was \$128,329,880, of which, as shown in one of the foregoing tables, \$92,414,977 was then in the Treasury, although an amount equal to \$65,620,450 was represented by certificates in the hands of the people and the banks, leaving \$26,794,527 belonging to the Treasury. Of the \$128,329,880 coined, \$35,914,903 was therefore circulating outside of the Treasury in the form of coin, and \$65,620,450 in the form of certificates. The remainder of the silver, \$83,994,455, consisted of subsidiary coin, trade dollars, and bullion, of which \$30,761,935 was in the Treasury, and \$53,232,520 was in use in place of the paper fractional currency for which it was substituted, as against \$55,955,398 similarly employed on November 1, 1881. The increase of gold and silver coin and paper currency, outside of the Treasury, since the date of resumption is thus estimated to have been \$289,964,414, and the increase during the year ending November 1, \$18,336,612; or, if the amount of silver certificates in circulation be added, the total increase since resumption would be \$355,172,504, and during the past year, \$25,118,292.

ILLEGAL CERTIFICATION OF CHECKS.

The practice of certifying checks had been in use for more than thirty years, previous to the organization of the national banking system, and at least twenty years previous to the establishment of the clearing house.

In the beginning, this certification was not considered as legally binding the bank to pay the check. For many years it had little significance other than as giving clerical information, and the amount of the check, when certified, was not charged to the account of the drawer until it was afterwards presented for payment. Subsequently, after the year 1854, when the clearing house was organized, it became the custom to present checks, and also bills receivable or acceptances on the day of maturity at the bank where they were made payable for certification. The bills and checks which were certified, were then returned to the bank messenger who had presented them, and on the following morning were transmitted to the clearing house with other exchanges.

The certification consisted of the signature of the paying teller, written across the face of the paper inside of a stamp bearing the date of the certification and the title of the bank. This form of certification was regarded as a legal obligation of the bank, and the amount of the check was charged to the account of the drawer at the date of the certification. If the maker or acceptor of notes or bills was in good standing at the bank at which it was made payable, such bills were not unfrequently certified, even if the full amount was not to the credit of the account to

which it was subsequently charged. Bills or checks are usually presented for certification during the first business hours of the day, and the deposits of merchants and brokers are not usually made until the later hours of the day. The officers of the bank, who know the usual habits of their dealers in making their deposits, as well as their responsibility, do not hesitate to assume the payment of checks or drafts which they feel assured will be provided for before the exchanges of the clearing house are received. If these certifications were confined to mercantile and commercial transactions, little objection would have been raised to the practice, and it is not probable that there would have been any legislation prohibiting it. It would certainly seem to be advisable to leave to the discretion of a bank the right to accept bills drawn by correspondents at a distance, or by merchants at home, whose standing is beyond question, and whose deficiency in the account is known to arise from delay in receiving remittances or making deposits. A refusal to certify or pay under such circumstances would be likely to subject the bank to the loss of the accounts of its most valuable dealers.

Such legitimate certifications in mercantile or commercial transactions are for comparatively small amounts, and would not attract attention as a large item in the abstracts of the condition of the banks in the city of New York, to which this practice is chiefly confined.

The large use of these instruments by which the banks in effect guarantee the contracts of stock-brokers with their customers has grown to be a great abuse during the past few years, and cannot be defended upon any correct principle of banking. This business is chiefly done by nine or ten national banks, although other banks, organized under State laws as well as national, certify similar checks for considerable amounts.

Section 5208 of the Revised Statutes makes it—

Unlawful for any officer, clerk or agent of any national banking association to certify any check drawn upon the association, unless the person or company drawing the check has on deposit with the association, at the time such check is certified, an amount of money equal to the amount specified in such check.

There are many methods of evading this law. If certification is required in excess of the amount on deposit a demand note is made, and the amount thereof is entered to the credit of the broker desiring the accommodation; or his check upon another bank is received without certification, and a temporary credit entered upon his account, and these temporary credits are canceled at the close of business when the account has been made good. Brokers asking for such over-certifications keep large balances to their credit, on which the bank pays no interest. Certification is made without charge, the bank receiving its compensation in the large deposits which stand to the credit of the broker. The banks justify the practice upon the ground that it is of great convenience to the community, and that stock transactions, particularly, could not be carried on without some such arrangement. They insist that for many years only trifling losses have arisen from the practice—very much less than the losses incurred by them in ordinary discounts.

Section 13 of the act of July 12, 1882, provides :

That any officer, clerk, or agent of any national-banking association who shall willfully violate the provisions of an act entitled "An act in reference to certifying checks by national banks," approved March third, eighteen hundred and sixty-nine, being section fifty-two hundred and eight of the Revised Statutes of the United States, or who shall resort to any device, or receive any fictitious obligation, direct or collateral, in order to evade the provisions thereof, or who shall certify checks before the

amount thereof shall have been regularly entered to the credit of the dealer upon the books of the banking association, shall be deemed guilty of a misdemeanor, and shall, on conviction thereof in any circuit or district court of the United States, be fined not more than five thousand dollars, or shall be imprisoned not more than five years, or both, in the discretion of the court.

Previous to the passage of this act those national banks which are accustomed to make large advances to brokers for stock transactions certified checks for large amounts under evasions of the law, or such arrangements or agreements as were deemed by them not to be in conflict with section 5208 of the Revised Statutes. The latter act seems to have been passed for the purpose of preventing the evasions of the previous law to which reference has been made. The language of the section is: "Or who shall resort to any device or receive any fictitious obligation, direct or collateral, in order to evade the provisions thereof."

Since the passage of this act the banks have accepted checks which have been drawn upon them instead of certifying them, and have assumed that such acceptance is not in violation of law. In some cases these acceptances are made payable through the clearing house, the effect of which form of acceptance is that such checks are payable upon the following day; in other cases the acceptance is made without any condition as to the mode of its payment. The banks claim that they have power to accept checks under the third and seventh paragraphs of section 5136 of the Revised Statutes. The former authorizes national banks "to make contracts," and the latter provides for the "exercise of all such incidental powers as shall be necessary to carry on the business of banking." It is also claimed that section 5209 of the Revised Statutes, which provides that it shall be a misdemeanor for an officer of a bank to make acceptances without proper authority, by implication authorizes acceptances to be made with the authority of the directors, and that the act of July 12, 1882, does not, in plain terms, prohibit such acceptance. The Comptroller being in doubt in reference to the proper construction of the section, prepared a letter containing the following questions, which, at his request, was submitted by the Secretary to the Attorney-General for his opinion:

Has a national bank the legal right to accept checks drawn upon it, unless the drawer has the amount stated in the check actually on deposit in the bank?

If a national bank has the power to make such an acceptance, would such acceptance at a time when the money was not on deposit to the credit of the drawer be a liability to it for money borrowed, and as such be required to be limited to one-tenth of the paid-in capital of the bank, as provided by section 5200 United States Revised Statutes?

If a national bank has the power to accept such checks equal in amount in any one case to one-tenth of its capital, would the acceptance of any number of checks to an amount exceeding, in the aggregate, the amount of its paid-in capital be in violation of section 5202 United States Revised Statutes?

The violation of section 5208, Revised Statutes, subjected a national bank to the appointment of a receiver. The law was not mandatory, and the appointment was left to the judgment and discretion of the Comptroller. The proper ground for the appointment of a receiver is insolvency, and it may be questioned whether the responsibility for taking a bank from the control of its owners should be exercised in other cases than insolvency until the question of violation of law shall have been brought before the courts for determination. No appointments of receivers have ever been made since the organization of the national banking system, except in cases of insolvency, although two large banks which had previously been found to be insolvent, were placed in charge of a receiver for illegal certification of checks.

The passage of the act of March 3, 1869 (section 5208, Revised Statutes), and the examinations which followed, had the effect to check and diminish the practice of certification. The practice has, however, greatly increased during the last three years, and the returns of the banks for October 3, the date of their last statement, discloses the fact that the amount of certificates or acceptances made on that day was nearly one-third greater than for a corresponding date in the year previous; and that the amount of acceptances for stock-brokers of nine national banks on that day was more than nine times the aggregate capital stock of those banks, as may be seen from the following table, which exhibits the amount of capital and certified checks or acceptances outstanding of all the national banks of New York City for corresponding dates from 1875 to 1882 inclusive, and like information in reference to nine national banks for the same dates.

Date.	No. of banks.	Capital.	Certified checks.	Date.	No. of banks.	Capital.	Certified checks.
June 30, 1875.....	48	\$68,500,000	\$41,223,840	June 30, 1875....	9	\$18,300,000	\$25,889,826
October 1, 1875.....	48	68,500,000	28,049,100	October 1, 1875....	9	18,300,000	17,835,333
June 30, 1876.....	47	66,400,000	36,983,391	June 30, 1876....	9	17,100,000	22,893,395
October 2, 1876....	44	65,850,000	38,725,100	October 2, 1876....	9	17,100,000	20,722,766
June 22, 1877.....	47	57,400,000	29,450,134	June 22, 1877....	9	14,300,000	19,191,192
October 1, 1877....	47	57,400,000	29,199,900	October 1, 1877....	9	14,300,000	17,576,591
June 29, 1878.....	46	55,600,000	42,576,240	June 29, 1878....	9	13,750,000	29,134,950
October 1, 1878....	46	53,486,300	40,296,100	October 1, 1878....	9	12,700,000	26,147,765
June 14, 1879.....	47	50,750,000	44,465,002	June 14, 1879....	9	11,700,000	30,274,422
October 2, 1879....	46	48,750,000	58,827,717	October 2, 1879....	9	11,700,000	42,875,636
June 11, 1880.....	46	50,450,000	75,737,938	June 11, 1880....	9	11,700,000	54,521,170
October 1, 1880....	45	49,900,000	61,791,510	October 1, 1880....	9	11,700,000	43,396,496
June 30, 1881.....	48	51,150,000	78,142,179	June 30, 1881....	9	11,700,000	53,820,573
October 1, 1881....	48	51,150,000	97,522,120	October 1, 1881....	9	11,700,000	71,635,693
July 1, 1882.....	50	51,500,000	65,101,191	July 1, 1882.....	9	11,700,000	45,583,450
October 3, 1882....	50	51,650,000	137,316,600	October 3, 1882....	9	11,700,000	105,481,705

The penalty for the violation of section 13 of the act of July 12, 1882, is a fine of not more than \$5,000, or imprisonment for not more than five years, or both, upon conviction thereof in any circuit or district court of the United States; and the penalty for the violation of other laws relating to the national banks where the penalty is not specified is the forfeiture of the rights, privileges, and franchises of an association, to be determined and adjudged by a proper circuit, district, or Territorial court of the United States.

The Attorney-General, in answer to the questions submitted to him, has returned an opinion, in which he says:

These provisions together [section 5208 Revised Statutes, and section 13 of the act of July 12, 1882] prohibit the *certification* of a check drawn upon a national bank, where, at the time of certification, the drawer has not on deposit with the bank, and regularly entered to his credit on its books, an amount of money equal to the amount of the check.

What, then, is certification of a check? It is an act on the part of the bank upon which the check is drawn, implying (as is observed by the Supreme Court in the case of *Merchants' Bank v. State Bank*, 10 Wall., 604). "That the check is drawn upon sufficient funds in the hands of the drawee, that they have been set apart for its satisfaction, and that they shall be so applied whenever the check is presented for payment. It is an undertaking that the check is good then and shall continue good, and this agreement is as binding on the bank as its notes of circulation, a certificate of deposit payable to the order of the depositor, or any other obligation it can assume."

No particular form is required for the certification. Ordinarily this is done by simply writing the word "good" upon the face of the check, adding thereto the signature or initials of the certifying officer. But any language employed by such officer, importing that the check is good and will be paid, would seem to be sufficient. (See 2 Daniel on Neg. Inst., Sec. 1606.)

A check being an order for the payment of money addressed to a bank or banker, it is always presumed to be drawn against funds on deposit therewith. It is not, when considered with reference to its purpose, presentable for *acceptance*, but only for payment—that is to say, payment is the only acceptance which in contemplation of law enters into the engagement of the parties. Hence, if the payee or holder of the check presents it with the view of having it certified, instead of paid, he does so at the peril of discharging the drawer. (First Nat. Bank v. Leach, 52 N. Y., 353.)

In *Security Bank v. National Bank*, (67 N. Y., 462), the court says: "The manifest object of a certification is to indicate the *assent of the certifying bank to the request of the drawer of the check that the drawer will pay to the holder the sum mentioned*; and this is what an acceptor does by his acceptance of a bill." Whether such assent is indicated by writing the word "good" or the word "accepted" upon the check can make no difference as between the holder of the check and the bank, the obligation assumed by the latter is precisely the same in either case; and thus the *legal effect* of marking a check "accepted" being the same as marking it "good," the employment of the former expression may, equally with that of the other, well be deemed to import a certification thereof. Agreeably to this view, the acceptance of a check, other than for immediate payment, is not legally distinguishable from its certification. In fact and effect the words are equivalents; they are for the same forbidden purpose to produce the same forbidden results.

The aim of the statute, in prohibiting the certification of checks by national banks where the amount thereof is not on deposit to the credit of the drawer, is obviously to provide a guard against the risks and evils attending such pledging of their credit without adequate security. The mischief sought to be avoided is the *incurring of liabilities* by these banks on checks drawn upon them without sufficient funds; and inasmuch as the liability is the same whether the check be marked by the bank "accepted" or simply "good," either of these modes of incurring it would seem to be sufficient to bring the case within the prohibition referred to. Each may properly be regarded as constituting a *certification*, according to the meaning and intent of the statute. To construe otherwise would be to allow a "device" to "evade the provision" of the law, and such, too, as by express terms is prohibited and punished.

In answer to the first question I accordingly reply that in my opinion a national bank cannot legally *accept* checks drawn upon it, where the drawer has not on deposit therewith the amount stated in the check.

To do so renders the bank subject to certain proceedings on the part of the Comptroller of the Currency (under section 5234, R. S.), and the officer by whom the acceptance is made becomes liable to the penalties provided in the act of July 12, 1872.

The case presented in the second question is not, in my opinion, covered by the provisions of section 5200 Revised Statutes.

The restriction then applies only to liabilities "for money borrowed." The acceptance of a check, where the drawer has no funds on deposit, would be a loan of the credit of the bank, rather than a loan of money, and, if otherwise unobjectionable, it could not properly be regarded as within the terms of the restriction adverted to.

The third question presents the same case in connection with section 5202, Revised Statutes, which declares that "no association shall at any time be indebted or in any way liable to an amount exceeding the amount of its capital stock actually paid in and remaining undiminished by losses or otherwise," except on account of demands of the nature therein described. Liabilities incurred by the acceptance of checks, the drawers thereof having at the time no funds on deposit with the bank, do not appear to fall within any of the *exceptions* enumerated; and assuming such acceptance to be lawful, I am of the opinion that the limit imposed by section 5202 extends to liabilities thus incurred, and that the acceptance of checks by a bank, without the existence of funds on deposit therewith, to an amount exceeding in the aggregate the amount of its paid-in capital, would be a violation of that section.

Under this opinion of the Attorney-General it will be the duty of the Comptroller to bring such evidence as he can obtain by frequent examinations to the attention of the proper officers, in order that such violation may be determined by the courts, and the penalty enforced as provided by the statute.

THE AMOUNT OF THE INTEREST-BEARING FUNDED DEBT OF THE UNITED STATES, AND THE AMOUNT HELD BY THE NATIONAL BANKS.

The report for 1881 contained tables exhibiting a classification of the interest-bearing debt of the United States, and of the bonds held by

the national banks for a series of years. These tables are again presented, and now exhibit also the amount of the outstanding bonds of the government, and the amount held by the banks on November 1st of the present year.

The most important operations of the Secretary of the Treasury, during the years which followed the close of the war, were the funding of large amounts of temporary obligations then outstanding of the government chiefly into six per cent. bonds.

The six per cent. bonds were gradually reduced during the year 1869, and the seven years following, by payment and refunding, into five per cents. The six per cents, together with the five per cents, were subsequently rapidly replaced by four and a half and four per cents, which were authorized to be issued by the act of July 14, 1870. In the year 1881 all of the unredeemed five and six per cent. bonds, amounting to \$579,560,050, were continued, payable at the pleasure of the government, with interest at three and one-half per cent., by agreement with the holders, and since that time \$164,833,200 of these three and one-half per cent. bonds have been paid, and during the present year \$259,370,500 have been replaced by three per cents, under the act of June 12, 1882.

The following table exhibits the classification of the unmatured interest-bearing bonded debt of the United States* on August 31, 1865, when the public debt reached its maximum, and on the 1st day of July of each year thereafter, together with the amount outstanding on November 1 of the present year:

Date.	Six per cent. bonds.	Five per cent. bonds.	Four and a half per cent. bonds.	Four per cent. bonds.	Total.
Aug. 31, 1865.....	\$908, 518, 091	\$199, 792, 100	.....	.....	\$1, 108, 310, 191
July 1, 1866.....	1, 008, 388, 469	198, 528, 435	.....	.....	1, 206, 916, 904
July 1, 1867.....	1, 421, 110, 719	198, 533, 435	.....	.....	1, 619, 644, 154
July 1, 1868.....	1, 841, 521, 800	221, 588, 400	.....	.....	2, 063, 110, 200
July 1, 1869.....	1, 886, 341, 300	221, 589, 300	.....	.....	2, 107, 930, 600
July 1, 1870.....	1, 764, 932, 300	221, 589, 300	.....	.....	1, 986, 521, 600
July 1, 1871.....	1, 613, 897, 300	274, 236, 450	.....	.....	1, 888, 133, 750
July 1, 1872.....	1, 374, 883, 800	414, 567, 300	.....	.....	1, 789, 451, 100
July 1, 1873.....	1, 281, 238, 650	414, 567, 300	.....	.....	1, 695, 805, 950
July 1, 1874.....	1, 213, 624, 700	510, 628, 050	.....	.....	1, 724, 252, 750
July 1, 1875.....	1, 100, 865, 550	607, 132, 750	.....	.....	1, 707, 998, 300
July 1, 1876.....	984, 999, 650	711, 685, 800	.....	.....	1, 696, 685, 450
July 1, 1877.....	854, 621, 850	703, 266, 650	\$140, 000, 000	.....	1, 696, 888, 500
July 1, 1878.....	738, 619, 000	703, 266, 650	240, 000, 000	\$98, 850, 000	1, 780, 735, 650
July 1, 1879.....	310, 932, 500	646, 905, 500	250, 000, 000	679, 878, 110	1, 887, 716, 110
July 1, 1880.....	235, 780, 400	484, 864, 900	250, 000, 000	739, 347, 800	1, 709, 993, 100
July 1, 1881.....	196, 378, 600	439, 841, 350	250, 000, 000	739, 347, 800	1, 625, 567, 750
	Continued at 3½ per cent.	Continued at 3½ per cent.			
July 1, 1882.....	58, 957, 150	401, 503, 900	250, 000, 000	739, 349, 350	1, 449, 810, 400
		155, 356, 350 }			
Nov. 1, 1882.....	{ 3 per cents. 13, 231, 650	{ 3 per cents. 246, 138, 850 }	250, 000, 000	739, 353, 350	1, 404, 080, 200

The operations of the Treasury Department for a series of years have largely reduced the amount of interest receivable by the national banks on the bonds held by them. During the present year, ending November 1, the three and one-half per cents have been reduced more than two hundred millions (\$200,769,200), and \$179,685,550 of three per cents have been deposited in place thereof.

Sixteen years ago the banks had on deposit as security for circulation, 327 millions in United States bonds, of which amount 241 millions bore interest at six per cent. and 86 millions at five per cent. These

* The Navy pension fund, amounting to \$14,000,000 in three per cents, the interest upon which is applied to the payment of naval pensions exclusively, is not included in the table.

bonds have now entirely disappeared from the list of securities held by the national banks. The average rate of interest now paid by the United States on the bonds deposited as security for circulating notes is about 3.5 per cent. upon their par value; but is equal to about 3.26 per cent. only of the current market value of the bonds. The banks now hold 33 millions of four and one-halves; nearly 105 millions of fours; 40 millions of three and one-half per cents converted from five and six per cents, and 179 millions of three per cents, which have been refunded from three and one-half per cents, during the present year. This will be seen from the following table, which exhibits the amount and classes of United States bonds owned by the banks, including those pledged as security for circulation and for public deposits on the first day of July in each year since 1865, and upon November 1 of the present year.

Date.	United States bonds held as security for circulation.					United States bonds held for other purposes at nearest date.	Grand total.
	6 per cent. bonds.	5 per cent. bonds.	4½ per cent. bonds.	4 per cent. bonds.	Total.		
July 1, 1865.....	\$170,382,500	\$65,576,600	.....	.....	\$235,959,100	\$155,785,750	\$391,744,850
July 1, 1866.....	241,083,500	86,226,850	.....	.....	327,310,350	121,152,950	448,463,300
July 1, 1867.....	251,430,400	89,177,100	.....	.....	340,607,500	84,663,050	425,270,550
July 1, 1868.....	250,726,950	90,768,950	.....	.....	341,495,900	89,922,500	431,418,400
July 1, 1869.....	255,190,350	87,661,250	.....	.....	342,851,600	55,102,000	397,953,600
July 1, 1870.....	247,955,350	94,923,200	.....	.....	342,878,550	43,980,600	386,859,150
July 1, 1871.....	220,497,750	139,387,800	.....	.....	359,885,550	39,450,800	399,336,350
July 1, 1872.....	173,251,450	207,189,250	.....	.....	380,440,700	31,868,200	412,308,900
July 1, 1873.....	160,923,500	229,487,050	.....	.....	390,410,550	25,724,400	416,134,950
July 1, 1874.....	154,370,700	236,800,500	.....	.....	391,171,200	25,347,100	416,518,300
July 1, 1875.....	136,955,100	239,359,400	.....	.....	376,314,500	26,900,200	403,214,700
July 1, 1876.....	109,313,450	232,081,300	.....	.....	341,394,750	45,179,300	386,574,050
July 1, 1877.....	87,690,300	206,651,050	\$44,372,250	.....	338,713,600	47,315,050	386,028,650
July 1, 1878.....	82,421,200	199,514,550	48,448,650	\$19,182,000	349,546,400	68,850,900	418,397,300
July 1, 1879.....	56,042,800	144,616,300	35,056,550	118,538,950	354,254,600	76,603,520	430,858,120
July 1, 1880.....	58,056,150	139,758,650	37,760,950	126,076,300	361,652,050	42,831,300	404,483,350
July 1, 1881.....	61,901,800	172,348,350	32,600,500	93,637,700	360,488,400	63,849,950	424,338,350
	Continued at 3½ per cent.:	Continued at 3½ per cent.:					
July 1, 1882.....	25,142,600	202,487,650	32,752,650	97,429,800	357,812,700	43,122,550	400,935,250
Nov. 1, 1882.....	2,101,200	38,505,750					
	3 per cents: 7,788,100	3 per cents: 171,897,450	33,754,650	104,917,500	358,964,650	37,563,750	396,528,400

The banks also held \$3,526,000 of Pacific Railroad six per cents, and \$15,000 of five per cents upon which interest has ceased.

AMOUNT OF UNITED STATES BONDS HELD BY THE NATIONAL BANKS, BY BANKS ORGANIZED UNDER STATE LAWS, AND BY PRIVATE BANKERS.

The amounts of United States bonds held by the national banks on November 1, 1880, 1881, and 1882, were, respectively, \$403,369,350, \$426,120,950, and \$396,528,400.

In the following table these amounts have been combined with the average amount of United States bonds held by the savings banks, State banks and trust companies, and private bankers of the country during the six months ending May 31 of the same years:

	1880.	1881.	1882.
National banks.....	\$403,369,350	\$426,120,950	\$396,528,400
Savings banks.....	189,187,816	234,888,178	243,088,782
State banks and trust companies.....	24,498,604	21,650,668	23,211,420
Private bankers.....	14,366,684	16,670,494	14,879,745
Totals.....	631,422,454	679,322,290	673,668,457

The interest-bearing funded debt of the United States was, on November 1 last, \$1,418,080,200. The total amount of bonds held by all the banks and bankers in the country as given above was \$675,168,457, which is not greatly less than one-half of the interest-bearing debt. The amounts for the banks other than national have been obtained from the semi-annual reports made by them to the Commissioner of Internal Revenue, for purposes of taxation. The table given below has also been compiled from these reports, and shows, by geographical divisions, the average amount invested by State banks, private bankers, trust companies, and savings banks in United States bonds, for the six months ending May 31 for the four years named :

Geographical divisions.	Amount invested in United States bonds.		
	By State banks, private bank- ers, and trust companies.	By savings banks.	Total.
May 31, 1879:			
New England States.....	\$3, 669, 967	\$34, 941, 378	\$38, 611, 345
Middle States.....	25, 686, 469	123, 818, 143	149, 504, 617
Southern States.....	3, 593, 179	86, 021	3, 679, 200
Western States.....	8, 326, 402	2, 164, 668	10, 491, 070
Pacific States and Territories.....	5, 015, 948	1, 372, 845	6, 388, 793
United States.....	46, 291, 965	162, 383, 060	208, 675, 025
May 31, 1880:			
New England States.....	3, 737, 093	37, 693, 200	41, 430, 293
Middle States.....	20, 564, 834	146, 301, 155	166, 865, 989
Southern States.....	2, 541, 991	1, 000	2, 542, 991
Western States.....	8, 137, 554	2, 474, 557	10, 612, 111
Pacific States and Territories.....	3, 883, 816	2, 717, 904	6, 601, 720
United States.....	38, 865, 288	189, 187, 816	228, 053, 104
May 31, 1881:			
New England States.....	2, 985, 496	36, 640, 795	39, 626, 291
Middle States.....	21, 908, 703	168, 617, 049	190, 525, 752
Southern States.....	1, 707, 702	21, 689	1, 729, 391
Western States.....	6, 734, 948	2, 689, 447	9, 424, 395
Pacific States and Territories.....	4, 984, 313	6, 911, 198	11, 895, 511
United States.....	38, 321, 162	214, 880, 178	253, 201, 340
May 31, 1882:			
New England States.....	2, 644, 895	37, 046, 625	39, 691, 520
Middle States.....	20, 576, 823	189, 775, 842	210, 352, 665
Southern States.....	1, 862, 946	.....	1, 862, 946
Western States.....	7, 099, 874	2, 354, 710	9, 454, 584
Pacific States and Territories.....	5, 897, 637	12, 851, 605	18, 749, 242
United States.....	38, 082, 175	242, 028, 782	280, 110, 957

The above table gives the average amount of capital invested in United States bonds, from which should be deducted the amount of premium paid at the time of purchase, which cannot be ascertained.

Through the courtesy of State officers the Comptroller has obtained the official reports made to them, under State laws, by State banks in twenty-one States, by trust companies in five States, and by savings banks in fifteen States, at different dates during the year 1882, and from these returns the following table has been compiled :

Held by State banks in twenty-one States.....	\$8, 739, 172
Held by trust companies in five States.....	16, 934, 812
Held by savings banks in fifteen States.....	237, 786, 442
Total.....	263, 460, 426

The amount held by geographical divisions during the years 1880, 1881, and 1882, was as follows :

Geographical divisions.	1880.	1881.	1882.
Eastern States.....	\$45,230,098	\$40,468,340	\$42,667,248
Middle States.....	157,563,757	176,373,889	197,135,239
Southern States.....	958,479	1,073,460	268,350
Western States.....	2,672,242	5,735,518	3,369,414
Pacific States.....	7,240,835	14,874,332	20,020,175
Total.....	213,665,402	238,525,539	263,460,426

The amounts of United States bonds held, as shown by the tables compiled from returns made by State banks, trust companies, and savings banks to State officers, in twenty-one States and Territories were, in 1882, \$16,650,531 less than the average amount shown by the table compiled from the reports made to the Commissioner of Internal Revenue, which were received from similar institutions.

The first-named table shows the actual amounts held at various dates in 1882, while the last gives the average amount held for the six months ending May 30, 1882. Although obtained from different sources and based on data that are not equally complete, the amounts obtained from the one source serve to corroborate those obtained from the other.

NATIONAL BANK FAILURES.

Three national banks have been placed in the hands of receivers during the year ending November 1, 1882, namely: The Mechanics' National Bank of Newark, N. J., on November 2, 1881; the Pacific National Bank of Boston, Mass., on May 22, 1882, and the First National Bank of Buffalo, N. Y., on April 22, 1882. The suspension of the first-named two banks was mentioned in the report of the Comptroller for the year ending November 1, 1881, and the causes which led to both these failures were then fully discussed. The directors of the Pacific National Bank of Boston undertook to make good the impairment of its capital stock in the manner authorized by section 5205 of the Revised Statutes, but, as they failed to do so within the time fixed by law, a receiver was appointed to take charge of its affairs. The failure of the First National Bank of Buffalo was the result of the misappropriation of its funds by its president. Its condition was discovered by the bank examiner when making his annual examination, and a receiver was appointed as before stated.

The affairs of ten national banks have been finally closed within the year. These banks, with the total dividend paid by each to their creditors, are as follows:

The First National Bank of Selma, Ala.....	46.6 per cent.
The First National Bank of New Orleans, La.....	79.0 per cent.
The National Bank of Vicksburg, Miss.....	49.2 per cent.
The Ocean National Bank of New York City.....	100.0 per cent. and interest.
The First National Bank of Carlisle, Pa.....	73.5 per cent.
The First National Bank of La Crosse, Wis.....	48.4 per cent.
The First National Bank of Wichita, Kans.....	70.0 per cent.
The First National Bank of Greenfield, Ohio.....	27.0 per cent.
The First National Bank of Tarrytown, N. Y.....	90.5 per cent.
The First National Bank of Meadville, Pa.....	100.0 per cent. and interest.

The following banks have been closed, with the exception of litigation pending in the courts, and the expenses of the receiverships, in-

cluding the amounts paid to receivers for personal services, are in each case no more than is necessary to carry on the suits. In each of these instances, if litigation results favorably to the banks, some additional dividends may be paid.

The dividends already paid to the creditors of these associations are as follows:

	Per cent.
The Charlottesville National Bank, Charlottesville, Va.....	62
The First National Bank of Norfolk, Va.....	49
The First National Bank of Anderson, Ind.....	25
The Venango National Bank of Franklin, Pa.....	15
The Atlantic National Bank, of New York City.....	95
The First National Bank of Mansfield, Ohio.....	45
The Miners' National Bank of Georgetown, Colo.....	65
The First National Bank of Bedford, Iowa.....	12. 5
The City National Bank of Chicago, Ill.....	77
The First National Bank of Georgetown, Colo.....	22. 5
The First National Bank of Dallas, Tex.....	37
The Central National Bank of Chicago, Ill.....	60
The People's National Bank of Helena, Mont.....	40
The First National Bank of Allentown, Pa.....	70
The First National Bank of Waynesburg, Pa.....	40

If the litigation now in progress should result favorably, it is estimated that additional dividends will be paid as follows: To the creditors of the First National Bank, Waynesburg, 25 per cent.; of the First National Bank, Allentown, Pa., and First National Bank, Georgetown, Col., 20 per cent.; the First National Bank of Mansfield, Ohio, and Miners' National Bank of Georgetown, Col., 10 per cent., and to the remaining banks, dividends less than 5 per cent.

The affairs of the Cook County and Scandinavian National Banks of Chicago, and of the National Bank of the State of Missouri of Saint Louis also, cannot be closed until pending litigation is brought to a conclusion. The latter bank has already paid to its creditors 100 per cent. of the principal of their claims, and more than 50 per cent. of interest accrued up to December 1, 1882. It is expected that a considerable portion, though not the whole, of the remaining interest will hereafter be paid.

The First National Bank of New Orleans has been closed during the year. The payment of a final dividend had been necessarily postponed on account of delay experienced in adjusting accounts due to and from the government, but which have during the year been finally settled by an appropriation by Congress resulting in a recovery by the bank of \$94,000. The three following banks have paid their creditors the full amount of their claims, principal and interest, and their affairs are still in the hands of receivers appointed by the Comptroller, who are administering the remaining assets in the interest of the stockholders:

First National Bank of Newark, N. J.....	100 per cent. and interest in full.
First National Bank of Brattleboro, Vt.....	100 per cent. and interest in full.
Third National Bank of Chicago, Ill.....	100 per cent. and interest in full.

It is probable that in each of these cases the shareholders will eventually receive a handsome percentage upon the capital stock of the bank. The following banks in the hands of receivers have paid dividends during the past year. The total dividends up to November 1, 1882, being also given.

The First National Bank of Selma, Ala., 4.6 per cent.; total, 46.6 per cent.
The First National Bank of New Orleans, La., 9 per cent.; total, 79 per cent.
The National Bank of Vicksburg, Miss., 13 per cent.; total, 49.2 per cent.

The Ocean National Bank, New York City. Interest dividend; total, 100 per cent., and interest.

The New Orleans National Banking Association, New Orleans, La., 5 per cent.; total, 60 per cent.

The Charlottesville National Bank, Charlottesville, Va., 7 per cent.; total, 102 per cent.

The First National Bank of La Crosse, Wis., 3.4 per cent.; total, 48.4 per cent.

The First National Bank of Greenfield, Ohio, 27 per cent.; total, 27 per cent.

The First National Bank of Franklin, Ind., 15 per cent. to stockholders; creditors paid in full.

The National Bank of the State of Missouri, Saint Louis, Mo., 5 per cent., and 50 per cent. of interest; total, 100 per cent., and 50 per cent. of interest.

The Lock Haven National Bank, Lock Haven, Pa., 10 per cent.; total, 100 per cent.

This Third National Bank of Chicago, Ill. Interest in full; total, 100 per cent. and interest.

*The Commercial National Bank of Kansas City, Mo., 6.165 per cent. to stockholders; total, to stockholders, 37.165.

The First National Bank of Tarrytown, N. Y., 5.5 per cent.; total, 90.5 per cent.

The First National Bank of Allentown, Pa., 20 per cent.; total, 70 per cent.

The People's National Bank of Helena, Mont., 10 per cent.; total, 40 per cent.

The German American National Bank, Washington, D. C., 10 per cent.; total, 50 per cent.

The Second National Bank of Scranton, Pa., 50 per cent.; total, 75 per cent.

The First National Bank of Butler, Pa., 20 per cent.; total, 60 per cent.

The First National Bank of Meadville, Pa. Interest in full, 100 per cent. and interest.

The First National Bank of Newark, N. J. Interest in full, 100 per cent. and interest.

The Mechanics' National Bank of Newark, N. J., 55 per cent.; total, 55 per cent.

The First National Bank of Buffalo, N. Y., 25 per cent.; total, 25 per cent.

Since the commencement of the national banking system 87 banks have been placed in the hands of receivers, and 420 banks have voluntarily closed their business by the votes of shareholders owning two-thirds of their stock, under the provisions of sections 5220 and 5221 of the Revised Statutes of the United States. Of the banks so placed in voluntary liquidation by their stockholders, 7 failed to pay their depositors, and in these cases receivers were appointed by the Comptroller to wind up their affairs. Of the 87 banks placed in the hands of receivers, 51 have been finally closed, leaving 36 still in process of settlement. The loss to creditors of national banks which have been placed in the hands of receivers during the nearly twenty years that have elapsed since the passage of the act of February 25, 1863, as near as can be estimated, including dividends which will probably be hereafter paid, has been about \$7,000,000. The average annual loss has been, therefore, about \$400,000 in the business of corporations having an average capital of about \$450,000,000, and which have been responsible for the safe keeping of deposits in their hands averaging constantly over \$800,000,000, or about one-twentieth of one per cent. of annual loss to depositors. The time required for liquidating the affairs of insolvent banks depends chiefly upon the amount of litigation which may arise, as in any case it is impossible to tell in advance what questions it may become necessary to refer to the courts for decision. In many of these cases no conclusion can be reached until the matter has been brought before the courts of last resort. The dockets of the supreme courts in most of the States, and that of the Supreme Court of the United States, are crowded, and when an appeal is made to these tribunals, years often elapse before the case can be reached. Owing, however, to the decisions already made, the forms of procedure, under the laws governing national banks, are better understood, and in collecting assets, in allowing offsets, and enforcing the liabilities of stockholders, there is now no inducement to protract litigation, either on the part of the ordinary debtors of the bank or of the stockholders who become such debtors when assessed under their liability, as provided in section 5151 of the Revised Statutes. In all cases of failure of national banks

*Creditors paid in full.

there are many claims presented to the receivers which, for various reasons, do not appear to be properly liabilities of the association, and it is necessary, in order to protect the interests of the genuine creditors, that such claims should be rejected until their merits have been properly investigated by a court of competent jurisdiction.

The liability of directors for negligent discharge of their duties, or for malfeasance, is not yet clearly defined by any authoritative decision, but such decisions as there are bearing upon this matter point to a complete remedy against them also. The total amount paid to creditors of insolvent national banks amounts to \$20,945,090; upon proved claims amounting to \$29,586,558. The dividends so far paid thus equal about 70 per cent. of the proved claims. The amount paid during the year was \$2,283,392.

Assessments amounting to \$8,101,750 have been made upon the stockholders of insolvent national banks for the purpose of enforcing their individual liability under section 5151 of the Revised Statutes, of which about \$3,200,000 have been collected and \$534,080.70 during the past year.

A table showing the national banks which have been placed in the hands of receivers, the amount of their capital, of claims proved, the rates of dividends paid, and also showing the amount of circulation of such banks issued, redeemed, and outstanding, will be found in the Appendix.

LOANS AND RATES OF INTEREST.

The following table gives the classification of the loans of the banks in the city of New York, in Boston, Philadelphia, and Baltimore, and in the other reserve cities, at corresponding dates in each of the last three years:

OCTOBER 1, 1880.

Classification.	New York City.	Boston, Philadelphia, and Baltimore.	Other reserve cities.	Country banks.	Aggregate.
	47 banks.	101 banks	83 banks.	1,859 banks.	2,090 banks.
On U. S. bonds on demand.....	\$3,915,077	\$525,445	\$1,378,168	.....	\$5,818,690
On other stocks, bonds, &c., on demand.....	92,630,982	30,838,692	16,558,260	.....	140,027,934
On single-name paper without other security.....	27,755,152	22,542,776	10,402,295	.....	60,700,223
All other loans.....	114,127,290	137,405,246	75,687,334	\$503,294,724	830,514,594
Totals.....	238,428,501	191,312,159	104,026,057	503,294,724	1,037,061,441

OCTOBER 1, 1881.

Classification.	48 banks.	102 banks.	87 banks.	1,895 banks.	2,132 banks.
On U. S. bonds on demand.....	\$2,539,928	\$415,164	\$468,496	\$2,661,256	\$6,084,844
On other stocks, bonds, &c., on demand.....	97,249,162	39,251,526	24,227,158	35,423,896	196,151,742
On single-name paper without other security.....	26,935,878	34,465,661	12,904,338	73,114,405	147,420,282
All other loans.....	120,032,691	137,682,302	96,806,506	464,843,937	819,365,436
Totals.....	246,757,659	211,814,653	134,406,498	576,043,494	1,169,022,304

OCTOBER 3, 1882.

Classification.	50 banks.	102 banks.	91 banks.	2,026 banks.	2,269 banks.
On U. S. bonds on demand.....	\$1,618,687	\$265,357	\$1,532,214	\$1,851,550	\$5,267,808
On other stocks, bonds, &c., on demand.....	89,532,760	31,653,098	22,143,725	39,554,649	182,884,232
On single-name paper without other security.....	21,382,572	26,721,688	16,075,330	83,576,480	147,754,806
All other loans.....	126,507,873	143,297,359	106,531,193	526,041,981	902,379,670
Total.....	239,041,892	201,937,502	146,282,462	651,024,660	1,238,286,516

In the table below is given a full classification of the loans in New York City alone for the last five years:

Loans and discounts.	October 1, 1878.	October 2, 1879.	October 1, 1880.	October 1, 1881.	October 3, 1882.
	47 banks.	47 banks.	47 banks.	48 banks.	50 banks.
On indorsed paper.....	\$83, 924, 333	\$81, 520, 129	\$107, 058, 860	\$112, 049, 004	\$118, 692, 651
On single-name paper.....	17, 297, 475	22, 491, 926	27, 755, 152	26, 935, 878	21, 203, 573
On U. S. bonds on demand....	7, 003, 085	8, 286, 525	3, 915, 077	2, 539, 928	1, 797, 687
On other stock, &c., on demand	51, 152, 021	78, 062, 085	92, 640, 982	97, 249, 162	80, 532, 762
On real-estate security.....	786, 514	670, 021	1, 336, 513	236, 100	304, 732
Payable in gold.....	6, 752, 181				
All other loans.....	2, 670, 371	4, 821, 216	5, 731, 917	7, 747, 587	7, 600, 487
Totals.....	160, 585, 980	195, 851, 902	238, 428, 501	246, 757, 659	239, 041, 892

The attention of Congress has previously been called to section 5200 of the Revised Statutes, which places restrictions upon loans, and to the difficulty of enforcing its provisions. In cities where large amounts of produce are received and stored, it is represented that it is impossible for the banks to transact this class of business, if restricted to loans for an amount not exceeding in any instance one-tenth of their capital. It is true that the limitation does not apply to loans upon produce in transit, where the drafts are drawn on existing values; but if produce is stored, instead of being shipped, large loans cannot be made except in violation of law. In such case the Comptroller has no means of enforcing the law, except by bringing a suit for forfeiture of charter, and this course might result in great embarrassment to business, as well as loss to many innocent stockholders of the banks. It is evident that the law should be so amended as to exclude from the limitation mentioned legitimate loans upon produce or warehouse receipts, and some other classes of collateral security, as well as loans upon United States bonds.

RATES OF INTEREST IN NEW YORK CITY, AND IN THE BANK OF ENGLAND AND THE BANK OF FRANCE.

The average rate of interest in New York City for each of the fiscal years from 1874 to 1881, as ascertained from data derived from the Journal of Commerce and The Commercial and Financial Chronicle, was as follows:

1874, call loans, 3.8 per cent.; commercial paper, 6.4 per cent.
 1875, call loans, 3.0 per cent.; commercial paper, 5.8 per cent.
 1876, call loans, 3.3 per cent.; commercial paper, 5.3 per cent.
 1877, call loans, 3.0 per cent.; commercial paper, 5.2 per cent.
 1878, call loans, 4.4 per cent.; commercial paper, 5.1 per cent.
 1879, call loans, 4.4 per cent.; commercial paper, 4.4 per cent.
 1880, call loans, 4.9 per cent.; commercial paper, 5.3 per cent.
 1881, call loans, 3.8 per cent.; commercial paper, 5.0 per cent.
 1882, call loans, 4.4 per cent.; commercial paper, 5.4 per cent.

The average rate of discount of the Bank of England for the same years was as follows:

During the calendar year ending December 31, 1874, 3.69 per cent.
 During the calendar year ending December 31, 1875, 3.23 per cent.
 During the calendar year ending December 31, 1876, 2.61 per cent.
 During the calendar year ending December 31, 1877, 2.91 per cent.
 During the calendar year ending December 31, 1878, 3.78 per cent.
 During the calendar year ending December 31, 1879, 2.50 per cent.
 During the calendar year ending December 31, 1880, 2.76 per cent.
 During the calendar year ending December 31, 1881, 3.49 per cent.
 During the fiscal year ending June 30, 1882, 4.01 per cent.

* From the Financial Chronicle only.

In the calendar year ending December 31, 1881, the rate of discount of the Bank of England was increased four times, and only twice reduced. During the fiscal year ending June 30, 1882, the rate was increased four times and decreased three times. The present rate is 5 per cent.

The rate of interest in the city of New York on November 28 was, on call loans, from 4 to 7 per cent., and on commercial paper from 7 to 8 per cent.

SPECIE IN BANK AND IN THE TREASURY OF THE UNITED STATES, AND ESTIMATED AMOUNT IN THE COUNTRY—SPECIE IN THE BANK OF ENGLAND AND IN THE BANK OF FRANCE.

The following table exhibits the amounts of specie held by the national banks at the dates of their reports for the last ten years, the coin and coin certificates held by the New York City banks being stated separately:

Dates.	Held by national banks in New York City.				Held by other national banks.	Aggregate.
	Coin.	U. S. gold certificates.	Clearing house certificates.	Total.		
Oct. 3, 1872..	\$920,767 37	\$5,454,580	.....	\$6,375,347 37	\$3,854,409 42	\$10,229,756 79
Dec. 27, 1872..	1,306,091 05	12,471,940	.....	13,778,031 05	5,269,395 40	19,047,336 45
Feb. 28, 1873..	1,938,769 86	11,539,780	.....	13,498,541 86	4,279,123 67	17,777,673 53
Apr. 25, 1873..	1,344,950 93	11,743,320	.....	13,088,259 93	3,780,557 81	16,868,808 74
June 13, 1873..	1,442,097 71	22,139,080	.....	23,581,177 71	4,368,909 01	27,950,086 72
Sept. 12, 1873..	1,063,210 55	13,522,600	.....	14,585,810 55	5,282,658 90	19,868,469 45
Dec. 26, 1873..	1,376,170 50	18,325,760	.....	19,701,930 50	7,205,107 08	26,907,037 58
Feb. 27, 1874..	1,167,820 09	23,518,640	.....	24,686,460 09	8,679,403 49	33,365,863 58
May 1, 1874..	1,530,282 10	23,454,660	.....	24,984,942 10	7,585,027 16	32,569,969 26
June 26, 1874..	1,842,525 06	13,671,660	.....	15,514,185 00	6,812,022 27	32,326,207 27
Oct. 2, 1874..	1,291,786 56	13,114,480	.....	14,406,266 56	6,834,678 67	21,240,945 23
Dec. 31, 1874..	1,443,215 42	14,410,940	.....	15,854,155 42	6,582,605 62	22,436,761 04
Mar. 1, 1875..	1,084,555 54	10,622,160	.....	11,706,715 54	4,960,390 63	16,667,106 17
May 1, 1875..	930,105 76	5,753,220	.....	6,683,325 76	3,937,035 88	10,620,361 64
June 30, 1875..	1,023,015 86	12,642,180	.....	13,665,195 86	5,294,366 44	18,959,562 30
Oct. 1, 1875..	753,904 90	4,201,720	.....	4,955,624 90	3,094,704 83	8,050,329 73
Dec. 17, 1875..	869,436 72	12,532,810	.....	13,402,246 72	3,668,659 18	17,070,905 90
Mar. 10, 1876..	3,261,131 36	19,086,920	.....	22,348,051 36	6,729,294 49	29,077,345 85
May 12, 1876..	832,313 70	15,183,760	.....	16,016,073 70	5,698,520 66	21,714,594 36
June 30, 1876..	1,214,522 92	16,872,780	.....	18,087,302 92	7,131,167 00	25,218,469 92
Oct. 2, 1876..	1,120,814 34	13,446,760	.....	14,567,574 34	6,785,079 69	21,352,654 03
Dec. 22, 1876..	1,434,701 83	21,602,900	.....	23,037,601 83	9,962,046 06	32,999,647 89
Jan. 20, 1877..	1,669,284 94	33,629,660	.....	35,298,944 94	14,410,322 61	49,709,267 55
Apr. 14, 1877..	1,930,725 59	13,889,180	.....	15,829,905 59	11,240,132 19	27,070,037 78
June 22, 1877..	1,423,258 17	10,324,320	.....	11,747,578 17	9,588,417 89	21,335,996 06
Oct. 1, 1877..	1,538,486 47	11,409,920	.....	12,948,406 47	9,710,413 84	22,658,820 31
Dec. 28, 1877..	1,955,746 20	19,119,080	.....	21,074,826 20	11,832,924 50	32,907,750 70
Mar. 15, 1878..	2,428,757 41	35,003,220	.....	37,432,017 41	17,290,040 58	54,722,058 02
May 1, 1878..	2,688,682 06	25,397,640	.....	28,085,732 06	17,998,024 00	46,023,756 06
June 29, 1878..	1,905,705 22	11,954,500	.....	13,860,205 22	15,391,264 55	29,251,469 77
Oct. 1, 1878..	1,779,792 43	11,514,810	.....	13,294,602 43	17,394,004 16	30,688,606 59
Dec. 6, 1878..	4,009,299 01	12,277,180	.....	16,286,479 01	18,068,771 35	34,355,250 36
Jan. 1, 1879..	5,421,552 49	12,739,544	.....	18,161,092 49	23,338,064 83	41,499,757 32
Apr. 4, 1879..	5,312,966 90	12,220,940	.....	17,533,906 90	23,614,656 51	41,148,563 41
June 14, 1879..	6,058,472 34	12,291,270	.....	18,349,742 34	23,983,545 10	42,333,287 44
Oct. 2, 1879..	7,218,967 69	12,130,900	.....	19,349,867 69	22,839,873 54	42,173,731 23
Dec. 12, 1879..	20,096,249 64	8,366,140	\$21,569,000 00	50,031,389 64	28,981,651 95	79,013,041 59
Feb. 21, 1880..	12,552,541 44	7,404,650	35,855,000 00	55,752,191 44	33,869,860 31	89,442,051 75
Apr. 23, 1880..	12,595,720 49	6,914,250	25,458,000 00	44,967,970 49	41,461,761 72	86,429,732 21
June 11, 1880..	16,682,226 40	7,810,260	33,337,000 00	57,829,426 40	41,677,078 86	99,506,505 26
Oct. 1, 1880..	16,104,855 28	7,489,700	26,189,000 00	50,783,555 38	49,562,954 11	100,346,509 49
Dec. 31, 1880..	19,773,859 01	6,709,900	28,246,000 00	54,729,759 01	52,443,141 91	107,172,900 92
Mar. 11, 1881..	15,924,683 90	4,845,300	30,809,000 00	51,558,983 90	53,597,211 36	105,156,195 26
May 6, 1881..	26,242,108 60	4,625,900	34,176,000 00	65,044,008 60	57,554,553 48	122,598,562 08
June 30, 1881..	20,822,790 87	4,513,400	41,858,000 00	67,194,190 87	61,444,736 63	128,638,927 50
Oct. 1, 1881..	15,317,168 04	4,486,600	31,721,000 00	51,524,768 04	62,809,368 08	114,334,736 12
Dec. 31, 1881..	15,739,000 49	4,037,600	33,852,000 00	53,628,600 49	58,908,719 11	112,537,319 60
Mar. 11, 1882..	16,243,667 93	4,075,800	29,907,000 00	50,226,467 93	58,555,573 65	108,782,041 04
May 19, 1882..	14,708,866 93	4,031,000	31,783,000 00	50,522,866 93	60,687,400 80	111,210,766 73
July 1, 1882..	13,708,000 77	4,005,100	32,854,000 00	50,567,100 77	60,272,431 77	110,839,232 54
Oct. 3, 1882..	13,265,363 74	3,908,100	26,224,000 00	43,397,463 74	57,652,774 53	101,050,178 27

The national banks held silver coin amounting, on October 1, 1877, to \$3,700,703, and on October 1, 1878, to \$5,392,628. On October 2, 1879, the amount held was \$4,986,493, and on October 1, 1880, it was \$6,495,477, including \$1,165,120 in silver treasury certificates, and on October 3, 1882, it was \$8,273,815, including \$1,807,600 of silver certificates. On October 1, of the present year, the official reports of the State banks in New England, New York, Pennsylvania, Maryland, Louisiana, Ohio, Indiana, Iowa, Wisconsin, Missouri, and Minnesota show that these banks then held specie amounting to \$7,140,867, of which the banks in New York City held \$3,484,913. The official returns from the State banks of California do not give separately the amount of coin held by them; but it is estimated that of the total cash reported, amounting to \$10,542,859, \$10,060,622 consisted of coin. The amount of coin held by State banks in the States before mentioned, including California, was, therefore, \$17,201,489.

The Director of the Mint, in his report for 1881, estimates the amount of coin in the country on June 30, 1880, at \$501,555,711, of which \$358,958,691 was gold and \$142,597,020 was silver. His estimate for the fiscal year ending June 30, 1882, is as follows:

United States coin.	Gold.	Silver.	Total.
Circulation June 30, 1881.....	\$429,774,753	\$171,459,766	\$601,236,519
Coinage for the year, less deposits for recoinage.....	88,814,691	27,655,816	116,470,507
Excess of exports over imports.....		517,778	517,778
Total.....	528,590,844	199,633,360	728,224,204
Less excess of exports over imports.....	25,008,659		25,008,659
Remainder.....	503,582,185	199,633,360	703,215,545
Less amounts used in the arts.....	2,700,000	60,000	2,760,000
Circulation July 1, 1882.....	500,882,185	199,573,360	700,455,545

From July 1, 1882, to November 1, the Director estimates that there was added to the coin \$15,306,491 of gold and \$8,738,472 of silver, making the stock of coin in the country at the latter date \$724,500,508, of which \$516,188,676 was gold and \$208,311,832 was silver.

The amount of bullion in the mint and in the New York assay office on November 1 is stated to have been \$50,916,780 of gold and \$4,012,503 of silver, making in all \$54,929,283; which, added to the estimated amount of coin stated above, gives \$779,429,791, of which amount \$567,105,456 was gold and \$212,324,335 was silver.

The following table shows the amount of gold and silver, including the amount held to protect gold and silver certificates, and the percentage of each, in the Treasury of the United States, on September 30 of each year from 1876 to 1882, and on November 1, 1882:

Period.	Silver.			Gold coin and bullion.	Total coin and bullion.	Per cent of—	
	Standard dollars.	Other coin and bullion.	Total silver.			Silver.	Gold
Sept. 30, 1876.....		\$6,029,367	\$6,029,367	\$55,423,050	\$61,452,426	9.8	90.2
Sept. 30, 1877.....		7,425,454	7,425,454	107,079,529	114,404,983	6.5	93.5
Sept. 30, 1878.....		15,777,957	27,008,142	136,066,302	163,074,444	17.0	83.0
Sept. 30, 1879.....	\$12,155,205	21,173,023	52,979,797	169,827,571	222,807,368	23.8	76.2
Sept. 30, 1880.....	31,806,774	30,878,386	78,008,050	135,641,450	214,304,480	36.7	63.3
Sept. 30, 1881.....	47,744,744	28,045,297	96,037,964	174,361,343	269,399,307	35.3	64.7
Sept. 30, 1882.....	66,092,667	30,769,705	122,998,354	152,799,106	275,737,460	44.6	55.4
Nov. 1, 1882.....	92,298,619	30,761,935	123,176,912	159,805,714	282,982,656	43.5	56.5

The bullion in the Bank of England for each year from 1870 to 1882, is shown in the following table, the pound sterling being estimated at five dollars :

1870.....	\$103,900,000	1877.....	\$126,850,000
1871.....	117,950,000	1878.....	119,200,000
1872.....	112,900,000	1879 *.....	150,942,980
1873.....	113,500,000	1880 †.....	141,637,000
1874.....	111,450,000	1881 †.....	115,221,870
1875.....	119,600,000	1882 †.....	107,689,912
1876.....	143,500,000		

Below is a similar table, giving the amount of gold and silver, and the percentage of each, in the Bank of France, on December 31 of each year † from 1870 to 1881, and on November 2, 1882, five francs being estimated at one dollar :

Years.	Silver coin and bullion.	Gold coin and bullion.	Total.	Per cent of—	
				Silver.	Gold.
December 31, 1870.....	\$13,700,000	\$85,740,000	\$99,440,000	13.8	86.2
December 31, 1871.....	16,240,000	110,680,000	126,920,000	12.8	87.2
December 31, 1872.....	26,520,000	131,740,000	158,260,000	16.8	83.2
December 31, 1873.....	31,260,000	122,260,000	153,520,000	20.4	79.6
December 31, 1874.....	62,640,000	204,220,000	266,860,000	23.5	76.5
December 31, 1875.....	101,000,000	234,860,000	335,860,000	30.1	69.9
December 31, 1876.....	127,720,000	306,080,000	433,800,000	29.4	70.6
December 31, 1877.....	173,080,000	235,420,000	408,500,000	42.4	57.6
December 31, 1878.....	211,620,000	196,720,000	408,340,000	51.8	48.2
December 31, 1879.....	245,520,000	148,320,000	393,840,000	62.3	37.7
December 31, 1880.....	244,360,000	110,480,000	354,840,000	68.9	31.1
December 31, 1881.....	231,180,000	129,160,000	360,340,000	64.2	35.8
November 2, 1882.....	223,136,000	194,314,000	417,450,000	53.5	46.5

TRANSACTIONS OF THE NEW YORK CLEARING HOUSE.

The New York Clearing House Association is composed of forty-seven national and fourteen State banks, and the assistant treasurer of the United States at New York.

Through the courtesy of Mr. W. A. Camp, its manager, a statement of the transactions during the year ending October 1, 1882, has been obtained, which shows that the total exchanges were more than forty-six thousand millions of dollars, while the balances paid in money were nearly 1,600 millions. The daily average balances paid were somewhat more than \$5,000,000, or about 3.4 per cent. of the amount of the settlements. The balances paid in money during the year consisted of \$1,325,990,000 in clearing house certificates of the Bank of America, legal tenders amounting to \$10,220,245, and \$258,550,000 in gold coin, weighing 476½ tons. If, instead of gold coin, silver had been used, the weight would have been nearly 8,000 tons. Since the date of the issue of the new gold certificates (October 4), authorized by the act of July 12, 1882, the balances due from the government have been paid in these

* London Economist, November 8, 1879.

† London Bankers' Magazine, October, 1880, 1881, and 1882.

‡ The Bulletin de Statistique, as quoted in the Bankers' Magazine, New York, vol. xiii, page 740; except the items for 1879-'80 and '81, which were obtained from the London Bankers' Magazine for August, 1880, page 661, September, 1881, page 716, and September, 1882, page 739, and the last item from The London Economist, November 4, 1882.

certificates instead of coin, thus dispensing with the movement of large amounts in bags and upon drays from the Treasury to the custody of the banks. The following table shows the yearly transactions of the New York clearing house for the twenty-nine years since its organization in 1853, and the amounts and ratios of currency required for the payment of daily balances :

Years.	No. of banks.	*Capital.	Exchanges.	Balances paid in money.	Average daily exchanges.	Average daily balances paid in money.	Ratios.
							<i>Per. ct.</i>
1854.....	50	\$47,044,900	\$5,750,455,987	\$297,411,494	\$19,104,505	\$988,078	5.2
1855.....	48	48,884,180	5,362,912,098	289,694,137	17,412,052	940,565	5.4
1856.....	50	52,883,700	6,906,213,329	334,714,489	22,278,108	1,079,724	4.8
1857.....	50	64,420,200	8,333,226,718	365,313,902	26,968,371	1,182,246	4.4
1858.....	46	67,146,018	4,756,664,386	314,238,911	15,393,736	1,016,954	6.6
1859.....	47	67,921,714	6,448,005,956	363,984,683	20,867,333	1,177,944	5.6
1860.....	50	69,907,435	7,231,143,057	380,693,438	23,401,757	1,232,018	5.3
1861.....	50	68,900,605	5,915,742,758	353,383,944	19,269,520	1,151,088	6.0
1862.....	50	68,375,820	6,871,443,591	415,530,331	22,237,682	1,344,758	6.0
1863.....	50	68,972,508	14,867,597,849	677,626,483	48,428,657	2,207,252	4.6
1864.....	49	68,586,763	24,097,196,656	885,719,205	77,984,455	2,866,405	3.7
1865.....	55	80,363,013	26,032,384,342	1,035,765,108	84,796,040	3,373,828	4.0
1866.....	58	82,370,200	28,717,140,914	1,066,135,106	93,541,195	3,472,753	3.7
1867.....	58	81,770,200	28,675,159,472	1,144,963,451	93,101,167	3,717,414	4.0
1868.....	59	82,270,200	28,484,288,637	1,125,455,237	92,182,164	3,642,250	4.0
1869.....	59	82,720,200	37,407,028,987	1,120,318,308	121,451,393	3,637,397	3.0
1870.....	61	83,620,200	27,804,539,406	1,036,484,822	90,274,479	3,365,210	3.7
1871.....	62	84,420,200	29,300,986,682	1,209,721,029	95,133,074	3,927,666	4.1
1872.....	61	84,420,200	33,844,369,586	1,428,582,707	109,884,317	4,636,632	4.2
1873.....	59	83,370,200	35,461,052,826	1,474,504,025	115,885,794	4,818,654	4.1
1874.....	59	81,635,200	22,855,927,636	1,286,753,176	74,692,574	4,205,076	5.7
1875.....	59	80,435,200	25,061,237,902	1,408,608,777	81,899,470	4,603,297	5.0
1876.....	59	81,731,200	21,597,274,247	1,295,042,029	70,349,428	4,218,378	5.9
1877.....	58	71,085,200	23,289,243,701	1,373,996,302	76,358,176	4,504,906	5.9
1878.....	57	63,611,500	22,508,438,442	1,307,843,857	73,555,988	4,274,000	5.8
1879.....	59	60,800,200	25,178,770,701	1,400,111,063	82,015,540	4,560,022	5.6
1880.....	57	60,475,200	37,182,128,621	1,516,538,631	121,510,224	4,956,009	4.1
1881.....	60	61,162,700	48,565,818,212	1,776,018,162	159,232,191	5,823,010	3.5
1882.....	61	60,962,700	46,552,846,161	1,595,000,245	151,637,935	5,195,440	3.4
		†71,043,710	‡645,059,244,842	‡28,280,157,052	‡72,443,011	‡3,176,537	4.4

The total amount of transactions for the twenty-nine years given in the table is \$645,059,244,842, and the annual average is \$22,243,422,236.

The clearing house transactions of the assistant treasurer of the United States at New York, for the year ending November 1, 1882, were as follows:

Exchanges received from clearing-house.....	\$341,737,470 97
Exchanges delivered to clearing-house.....	124,963,744 70
Balances paid to clearing-house.....	218,899,803 26
Balances received from clearing-house.....	2,126,076 99

Showing that the amount paid by the assistant treasurer to the clearing-house was in excess of the amount received by him..... 216,773,726 27

A table compiled from statements made by the New York clearing-house, giving the clearings and balances weekly for the months of September, October, and November, of the years from 1874 to 1882, will be found in the appendix, and are valuable for purposes of comparison.

The following table exhibits the transactions of clearing-houses located

* The capital is for various dates, the amount at a uniform date in each year not being obtainable.

† Yearly averages for twenty-nine years.

‡ Totals for twenty-nine years.

in 22 cities, for the year ending October 1, 1882, from official returns received by the manager of New York Clearing-House:

Cities.	Exchanges.	Balances.
Boston, Mass.	\$3,753,496,901 00	\$479,090,645 00
Philadelphia, Pa.	2,760,946,905 49	234,099,190 71
Chicago, Ill.	2,373,903,487 00	247,934,356 00
Cincinnati, Ohio	971,900,000 00	(*)
Saint Louis, Mo.	878,549,184 00	141,172,251 00
Baltimore, Md.	700,464,508 35	83,968,848 07
San Francisco, Cal.	635,787,678 51	112,275,530 21
New Orleans, La.	484,615,412 00	49,733,734 00
Pittsburgh, Pa.	433,680,238 82	82,218,178 18
Louisville, Ky.	392,189,934 00	41,072,489 27
Milwaukee, Wis.	388,170,946 06	62,640,929 20
Kansas City, Mo.	178,944,500 00	(*)
Cleveland, Ohio	116,481,767 00	(*)
Indianapolis, Ind.	112,000,000 00	24,000,000 00
Hartford, Conn.	88,493,000 00	23,588,000 00
Peoria, Ill.	54,428,517 00	(*)
Memphis, Tenn.	43,693,882 07	9,721,986 74
Worcester, Mass.	42,769,666 00	13,747,394 00
Springfield, Mass.	41,450,606 06	12,694,908 74
Lowell, Mass.	28,502,573 08	10,701,606 94
Syracuse, N. Y.	21,929,316 97	6,043,858 28
New York City	46,552,846,161 34	1,595,000,245 27
22 cities	61,054,353,584 75	3,229,701,191 61
New York City	76.3 per cent. of total exchanges.	49.4 per cent. of total balances.

* No record kept.

The following interesting table has been copied from the Public, of New York City, of November 23, which gives the latest information concerning the exchanges at New York and other cities having clearing-houses, for the week ending November 18, 1882, comparing them with those for the corresponding week in 1881, and showing the percentage of differences. The exchanges at the same places for the week ending November 11, 1882, are also given with the percentage of differences resulting from a comparison with the exchanges for the same week of the previous year.

	Week ending November 18.			Week ending November 11.	
	1882.	1881.	Per cent.	1882.	Per cent.
New York	\$1,054,585,666	\$892,319,707	+18.2	\$950,469,957	+19.3
Boston	75,587,683	86,781,980	-12.9	74,693,348	-11.1
Philadelphia	55,876,635	57,969,492	- 3.6	54,040,419	+11.6
Chicago	48,202,232	46,857,356	+ 2.9	48,221,994	- 2.7
Cincinnati	21,494,000	20,275,000	+ 6.0	19,109,500	- 3.8
Saint Louis	17,080,980	18,552,432	- 7.9	17,870,457	-11.6
Pittsburg	14,586,503	8,231,182	+77.2	23,161,722	+173.8
Baltimore	14,514,871	15,270,602	- 4.9	12,218,156	- 7.8
San Francisco	14,116,305	13,934,168	+ 1.3	10,493,471	-14.5
New Orleans	13,491,661	12,381,927	+ 9.0	14,512,512	+21.3
Milwaukee	8,123,670	7,816,756	+ 3.9	6,915,788	- 2.2
Louisville	7,338,929	7,158,985	+ 2.5	6,781,630	-13.8
Providence	5,421,800	5,069,600	+ 6.9	5,304,000	+ 2.9
Kansas City	4,630,200	3,074,700	+50.6	5,300,000	+71.8
Cleveland	2,393,822	2,577,219	- 7.1	2,398,234	+ 1.1
Indianapolis	2,141,641	2,454,748	-12.0	1,897,587	-23.3
Hartford	2,055,788	1,762,978	+16.6	1,878,811	+15.6
Memphis	1,634,766	1,611,834	+ 1.4	1,797,446	+36.3
New Haven	1,418,481	1,263,734	+12.2	1,308,520	+14.6
Peoria	1,078,558	1,062,509	+ 1.5	1,127,170	- 4.0
Columbus	1,073,541	899,134	+19.4	1,254,293	+21.0
Portland	*1,030,655			*1,186,168	
Worcester	949,086	880,377	+ 7.8	930,826	+11.7
Springfield	945,168	926,288	+ 2.0	823,707	- 7.4
Lowell	772,367	546,991	+41.2	764,848	+30.9
Syracuse	576,316	504,512	+14.2	507,070	+28.8
Total	1,370,090,689	1,210,164,212	+13.2	1,263,687,336	+14.7
Outside New York	315,505,023	317,844,505	- .7	313,217,380	+ 2.7

* Portland omitted in footings.

CLEARING-HOUSE CERTIFICATES.

Section 5192 Revised Statutes provides that clearing-house certificates, representing specie or lawful money specially deposited for the purposes of any clearing-house association, shall also be deemed to be lawful money in the possession of any association belonging to such clearing-house holding and owning such certificate; and section 5193 provides that the Secretary of the Treasury may receive United States notes on deposit, without interest, from any national banking association, in sums not less than ten thousand dollars, and issue certificates therefor in denominations of not less than five thousand dollars, which certificates may be counted as part of the lawful-money reserve, and may be accepted in the settlement of clearing-house balances at the places where the deposits therefor were made.

The legal-tender note certificates were first issued in the fiscal year 1873. On June 30, 1875, there were outstanding \$59,045,000 of these certificates, of which the national banks held \$47,310,000. On June 30, 1876, the amount outstanding was \$33,140,000, of which the banks held \$27,955,000. On June 30, 1879, the amount had been reduced to \$29,330,000, and the banks held on June 14 of the same year, \$25,180,000. The amount outstanding on October 3, 1882, was \$10,725,000, and the national banks held on that day, \$8,645,000.

The issue of the gold certificates was authorized by the fifth section of the act of March 3, 1863, and they were used for clearing-house purposes soon after the passage of the national bank act. The first issue was made on November 13, 1865. On June 30, 1875, there were outstanding \$21,796,300, of which the national banks in New York City held \$12,642,180. The issue of these certificates was discontinued on December 1, 1878, and the amount outstanding had decreased on June 30, 1879, to \$15,413,700, and on October 1, 1880, to \$7,480,100. The amount outstanding on October 3, was \$4,907,440, of which the national banks held \$4,594,300. The issue of gold certificates having been discontinued by the government, and the amount of gold coin having rapidly increased, the banks in New York found it necessary to establish a depository of gold coin for the convenience of the clearing-house. This depository at the present time is the Bank of America, by which bank certificates of deposit were first issued on October 14, 1879. The amount of such certificates outstanding on November 1, 1882, was \$26,390,000; on January 1, 1880, \$25,610,000. The largest amount of coin on deposit, during the year, was on January 21, 1882, viz, \$45,330,000, the capacity of the vault having been increased since 1880. The national banks of New York City held on July 1, 1882, \$34,486,000; on October 3, \$41,132,000.

The act of February 28, 1878, authorized any holder of silver dollars of the weight of 412½ grains troy of standard silver, to deposit the same with the Treasurer, or any assistant treasurer, of the United States, in sums not less than ten dollars, and receive therefor certificates of not less than ten dollars each, corresponding with the denominations of the United States notes. It required that the coin deposited, or representing the certificates, should be retained in the Treasury for the payment of the same on demand, and that said certificates should be receivable for customs, taxes, and all public dues, and also authorized their reissue. This act did not authorize their use as clearing-house certificates, nor make them available as reserve for the national banks.

The act of July 12, 1882, authorized and directed the Secretary of the Treasury to receive deposits of gold coin in denominations of not less than \$20 each, corresponding with the denominations of United States

notes. The coin deposited for the certificates is required to be retained for the payment of the same on demand, and these certificates, and also silver certificates, are authorized to be counted as part of the lawful reserve of the national banks.

The act also provides that—

No national banking association shall be a member of any clearing house in which such certificates shall not be receivable in the settlement of clearing-house balances.

The amount of silver certificates outstanding on November 1 was \$65,620,450. The amount of gold certificates which had been issued under this act on November 1, 1882, was \$21,790,000.

STATE BANKS, TRUST COMPANIES, AND SAVINGS BANKS.

The act of Congress of February 19, 1873, section 333 of the United States Revised Statutes, requires the Comptroller to obtain from authentic sources, and report to Congress, statements, exhibiting under appropriate heads, the resources and liabilities of such banks and savings banks as are organized under the laws of the several States and Territories. In compliance with this act, he has presented annually in the appendices to his reports, the resources and liabilities of these corporations, so far as it has been possible to obtain them. Through the courtesy of State officers, returns of State banks, savings banks, and trust and loan companies have, during the past year, been received from twenty-three States. Many of the States and Territories, including Illinois, Kansas, Nebraska, Dakota, Oregon, Virginia, and Tennessee do not require periodical returns of the condition of the different classes of banks organized under their laws.

From these returns, the following abstract has been compiled, showing the resources and liabilities of State banks and trust companies for the last three years, the number reporting in 1880 being 650; in 1881, 683, and in 1882, 704.

	1880.	1881.	1882.
	650 banks.	683 banks.	704 banks.
RESOURCES.			
Loans and discounts	\$281,496,731	\$352,725,986	\$404,574,420
Overdrafts	597,699	1,407,695	1,373,116
United States bonds	26,252,182	27,680,025	25,673,984
Other stocks, bonds, &c	35,661,792	42,330,957	45,658,783
Due from banks	40,340,345	54,662,829	57,973,718
Real estate	19,489,086	21,396,772	19,915,682
Other assets	7,374,037	11,941,741	13,685,205
Expenses	979,492	1,136,427	1,193,345
Cash items	11,176,592	16,900,762	18,546,073
Specie	6,905,977	17,925,628	17,902,760
Legal-tenders, bank notes, &c	51,500,226	27,391,317	27,322,912
Total	481,774,159	575,500,139	633,819,998
LIABILITIES.			
Capital stock	109,318,451	112,111,325	113,361,931
Circulation	283,308	274,941	286,291
Surplus fund	25,008,431	27,857,976	31,504,352
Undivided profits	10,774,731	12,237,320	14,758,438
Dividends unpaid	486,094	576,413	577,419
Deposits	298,759,619	373,032,632	426,677,092
Due to banks	18,613,336	19,105,664	18,409,351
Other liabilities	18,530,189	30,303,868	28,245,024
Total	481,774,159	575,500,139	633,819,998

The foregoing table was prepared from returns from all the New England States, except Maine; from four Middle States, not including Delaware, and from all the Western States, excepting Illinois, Kansas, and Nebraska. The only Southern States from which reports have been received were South Carolina, Georgia, Louisiana, Texas, and Kentucky. The only Pacific State is California. There no are State banks in Maine, but one in New Hampshire, six in Vermont, and none in Massachusetts. There are, however, six trust and loan companies in the latter State, one in Rhode Island, and seven in Connecticut.

SAVINGS BANKS.

The following table exhibits the aggregate resources and liabilities of 629 savings banks in 1880, 1881, and 1882:

	1880.	1881.	1882.
RESOURCES.			
Loans on real estate.....	\$315, 273, 232	\$307, 096, 158	\$307, 080, 227
Loans on personal and collateral security.....	70, 175, 090	95, 817, 641	128, 483, 698
United States bonds.....	187, 413, 220	210, 845, 514	237, 786, 442
State, municipal, and other bonds and stocks.....	150, 440, 359	150, 819, 942	206, 291, 274
Railroad bonds and stocks.....	20, 705, 378	27, 069, 048	32, 094, 578
Bank stock.....	32, 225, 923	33, 249, 203	35, 365, 717
Real estate.....	39, 038, 502	41, 987, 674	39, 882, 429
Other assets.....	27, 053, 452	37, 408, 163	11, 047, 346
Expenses.....	216, 423	135, 572	132, 204
Due from banks.....	22, 063, 091	40, 603, 641	38, 977, 135
Cash.....	17, 072, 680	13, 758, 106	14, 932, 015
Total.....	881, 677, 350	967, 790, 662	1, 052, 982, 065
LIABILITIES.			
Deposits.....	819, 106, 973	891, 961, 142	966, 797, 081
Surplus fund.....	51, 226, 472	60, 289, 905	69, 454, 512
Undivided profits.....	4, 740, 861	10, 325, 800	11, 136, 219
Other liabilities.....	6, 603, 044	5, 213, 815	5, 594, 253
Total.....	881, 677, 350	967, 790, 662	1, 052, 982, 065

The foregoing table includes the returns from the six New England States, from four Middle States, not including Delaware, from the States of Ohio, Indiana, California, and the District of Columbia. The aggregate of loans in the New England States is \$252,010,803, and of deposits, \$430,233,402. In the Middle States the aggregate of loans is \$145,099,593, and of deposits, \$469,058,085.

Some of the largest savings banks in the city of Philadelphia, organized under old charters, are not required to make reports to any State officer. Returns received directly from four of these banks, having deposits amounting to \$29,913,605, are included in the returns from the State of Pennsylvania.

The savings-banks deposits, given in the foregoing table for 1882, based upon reports made to State authorities, are \$966,797,081, and the deposits of the State banks and trust companies were \$426,677,092. These returns do not include bank deposits. The deposits of the national banks on October 3, 1882, exclusive of those due to banks, were \$1,138,071,777. These deposits of the national banks bear to those of the savings banks the proportion, nearly, of 55 to 45; to those of the State banks and trust companies the proportion of 73 to 27; and to the combined deposits of both, the proportion of 45 to 55.

The total population of New England, according to the census of 1880,

was 4,010,529, and the number of open-deposit accounts of the savings banks in the year 1882 is 1,294,859, which is equal to 32.3 accounts to each one hundred of the entire population. The average amount of each account is \$332.26, and if the total deposits were divided among the entire population, the average sum of \$107.27 could be given to each individual.

The deposits of the savings banks in the State of New York were \$387,832,893, while the population is 5,082,871, showing that an equal distribution of the savings-banks deposits among the entire population of the State would give \$76.30 to each individual. Tables showing the aggregate resources and liabilities of State banks, trust companies, and savings banks in each State, from which returns have been received from the State authorities appear in the Appendix.

A table is also there given showing by States the number of savings-bank depositors and the average amount due to each in 1881 and 1882.

PRIVATE BANKERS.

In the Appendix will be found three comprehensive tables of two pages each, giving by geographical divisions, and by States, Territories, and principal cities, the number of State banks, savings banks, trust and loan companies, and private bankers of the country, for the present and two previous years, together with the amount of their capital and deposits, and the amount of their capital invested by them in United States bonds. The first official information of this character ever published in regard to the private bankers of the country was contained in a table in the Comptroller's report for 1880. The following information in reference to the private bankers in sixteen of the principal cities has been compiled from the table in the Appendix for the year 1882:

Cities.	Number of banks.	Capital.	Deposits.	Invested in United States bonds.
Boston.....	64	\$6,088,250	\$5,980,391	\$871,395
New York City.....	536	51,654,464	56,364,207	7,846,422
Albany.....	3	91,000	85,767	.....
Philadelphia.....	50	2,040,877	6,097,791	77,738
Pittsburgh.....	10	785,754	3,278,514	54,712
Baltimore.....	35	1,104,268	2,942,892	177,107
Washington.....	8	408,517	4,338,716	326,634
New Orleans.....	10	71,000	1,082	.....
Louisville.....	3	180,500	709,290	.....
Cincinnati.....	11	686,994	2,869,514	203,858
Cleveland.....	5	77,000	1,599,202	14,210
Chicago.....	27	8,604,618	10,916,243	235,787
Detroit.....	7	161,541	1,095,923	5,750
Milwaukee.....	4	160,000	2,352,465	3,812
Saint Louis.....	11	295,351	246,285	45,825
San Francisco.....	12	2,030,465	10,863,554	152,956
Totals.....	796	74,440,599	109,741,746	10,016,206

The total number of private bankers in the foregoing cities is 796, with an aggregate capital of \$74,440,599, and aggregate deposits of \$109,741,746; the average capital being \$93,518, and the average deposits \$137,867. About 68 per cent. of these private banks are located in New York City, representing more than two-thirds of the aggregate capital and over one-half of the aggregate deposits. In the city of New York the average amount of capital is \$96,370 and deposits \$105,157 for each private banker; and the bankers in that city also held \$7,846,422 of United States bonds, or nearly one-half of the amount of such bonds held by all of the private bankers of the country.

The following table gives similar information for the thirty-three States and Territories, exclusive of the cities in the above table, having an amount of capital in excess of \$100,000. In this table the number of private bankers is 2,530; the aggregate amount of capital, \$39,287,623, and of deposits \$181,970,664, the average capital being \$15,529, and the average deposits \$71,925.

States and Territories.	No. of banks.	Capital.	Deposits.	Invested in U. S. bonds.
Pennsylvania.....	203	\$4,295,918	\$24,780,177	\$227,954
Ohio.....	221	4,294,085	23,709,057	784,737
Iowa.....	315	4,186,651	16,703,267	321,310
Illinois.....	297	3,735,378	24,328,452	604,845
Indiana.....	118	3,286,507	14,069,359	706,965
Texas.....	123	2,708,364	7,224,606	11,175
New York.....	162	1,753,420	15,152,950	483,976
Kansas.....	104	1,633,919	5,046,452	435,531
Michigan.....	149	1,407,597	6,900,293	147,267
Missouri.....	89	1,263,396	6,961,756	218,696
Minnesota.....	109	992,068	4,486,316	18,413
Nebraska.....	126	931,366	3,046,989	38,237
Oregon.....	17	863,367	2,370,681	265,250
Wisconsin.....	85	780,952	4,317,066	69,816
Kentucky.....	25	662,363	2,779,621	21,083
Colorado.....	48	629,059	2,469,192	1,500
Alabama.....	23	576,175	1,792,676	500
Montana.....	15	570,858	1,434,947	.....
Georgia.....	30	561,067	951,645	6,000
Connecticut.....	16	477,158	2,018,460	7,571
Washington.....	15	418,657	1,008,857	2,500
Rhode Island.....	8	412,496	553,480	52,983
Virginia.....	19	410,590	2,378,429	40,000
Dakota.....	61	392,789	810,324	.....
Mississippi.....	10	372,537	1,017,893	36,907
California.....	25	352,066	1,309,128	.....
Utah.....	9	278,464	1,259,082	47,755
Nevada.....	7	215,445	779,656	100,000
Wyoming.....	5	193,426	772,078	.....
South Carolina.....	8	189,577	63,432	.....
Arkansas.....	16	176,676	529,125	62,941
Louisiana.....	3	132,286	80,235	.....
Florida.....	9	131,521	834,965	.....
Totals.....	2,530	39,287,623	181,970,664	4,753,852

The remaining thirteen States and Territories, not enumerated in the above table, contain 65 private bankers, with an aggregate capital of \$527,670, and aggregate deposits of \$3,909,750. Massachusetts has only three private bankers, outside the city of Boston, with an aggregate capital of \$64,167, and aggregate deposits of \$618,206. Maryland has but two private bankers outside of the city of Baltimore. The State of Maine has ten private bankers, North Carolina but four, New Hampshire two, New Jersey four, Delaware and Vermont only one each, and Arizona eleven. The average amount of capital held by each of these 65 private bankers is \$8,511, and of deposits \$63,060.

The following table shows, by geographical divisions, the number of private bankers in the United States, with the aggregate amount of their capital, deposits, and investments in United States bonds, for the six months ending May 31, 1882:

Geographical divisions.	No. of banks.	Capital.	Deposits.	Invested in United States bonds.
New England States.....	104	\$7,130,190	\$9,417,712	\$981,371
Middle States.....	1,014	62,193,765	113,079,792	9,204,616
Southern States.....	293	6,360,701	19,991,612	227,131
Western States and Territories.....	1,980	28,502,280	153,143,614	4,467,627
United States.....	3,391	114,255,892	295,622,160	14,870,745

The table below is a recapitulation of the foregoing, showing by groups the aggregates for the bankers in the sixteen principal cities, in the thirty-three States and Territories having a private banking capital in excess of \$100,000, and in the thirteen remaining States and Territories, for the last year:

RECAPITULATION.

	No. of banks.	Capital.	Deposits.	Invested in United States bonds.
Principal cities	796	\$74,440,599	\$109,741,746	\$10,016,206
Principal States and Territories	2,530	39,287,623	181,970,664	4,753,852
Remaining States and Territories	65	527,670	3,909,750	100,687
United States	3,391	114,255,892	295,622,160	14,870,745

SECURITY FOR CIRCULATING NOTES.

During previous years there have been many changes in the classes of United States bonds held by the national banks as security for their circulation, owing to the payment or refunding or extension of the different issues of five and six per cent. bonds bearing interest at four and one-half, four, three and one-half, and three per cent. During the present year 259 millions of three and one-half per cent. bonds, held by the banks, which were extended from five or six per cent. bonds in the year 1881, have been changed into three per cent. bonds. The amount of United States bonds held by the Treasurer as security for the circulating notes of the national banks on the first day of November, 1882, is exhibited in the following table:

Class of bonds.	Authorizing act.	Rate of interest.	Amount.
		<i>Per cent.</i>	
Funded loan of 1881 (5's, interest ceased)	July 14, 1870, and January 20, 1871..	-----	\$15,000
Funded loan of 1891	do.....	4½	33,754,650
Funded loan of 1907	do.....	4	104,927,500
Loan of July and August continued	July 17 and August 5, 1861.....	3½	749,500
Loan of 1863 continued (61's)	March 3, 1863.....	3½	1,351,700
Funded loan of 1881 continued.....	July 14, 1870, and January 20, 1871..	3½	38,505,750
Funded loan of July 12, 1882.....	July 12, 1882.....	3	179,675,550
Pacific Railway bonds	July 1, 1862, and July 2, 1864.....	6	3,526,000
Total.....	.....	.....	362,505,650

During the year 1871, and previous thereto, a large portion of the bonds bore interest at the rate of six per cent., and until the year 1877 all of the bonds bore interest at either five or six per cent. The five or six per cent. bonds, in the year 1881, entirely disappeared from the list of these securities, with the exception of three and a half million of Pacific sixes.

At the present time more than eleven per cent. of the amount, pledged for circulation, consists of bonds bearing interest at three and a half per cent. only, and nearly fifty per cent. of them bear interest at three per cent., and the remainder, with the exception of three and one-half millions of Pacifics, bear interest at the rate of four and four and a half per cent.

COUNTERFEIT AND UNSIGNED NATIONAL-BANK NOTES.

Section 5 of the act of June 30, 1876, provides—

That all United States officers, charged with the receipt or disbursement of public moneys, and all officers of national banks, shall stamp or write in plain letters the word "counterfeit," "altered" or "worthless," upon all fraudulent notes issued in the form of, and intended to circulate as money, which shall be presented at their place of business, and if such officers shall wrongfully stamp any genuine note of the United States, or of the national banks, they shall, upon presentation, redeem such notes at the face value thereof.

This section makes it the duty, not only of every officer of the United States charged with the receipt or disbursement of public moneys, but also of all officers of the national banks, to stamp every fraudulent note which shall be presented at their counters, in such a manner as shall thereafter prevent its circulation.

There is no doubt that there has been great neglect on the part of national bank officers to comply with this law. The number of counterfeit national bank notes which have been issued is very small in proportion to the number issued previous to the establishment of the national banking system, but the number in circulation has largely increased during the last few years, probably owing to the fact that the bank notes which are presented at the counters of the banks, and which are known to be fraudulent, are not immediately stamped "counterfeit," "altered," or "worthless," as required by law. If a genuine note is wrongfully stamped, the officer thus stamping it can immediately obtain a genuine note in exchange by forwarding the same to the Treasurer for redemption, so that there is no risk whatever on the part of the officers of national banks, even if they should wrongfully stamp a genuine note.

Section 5172 of the Revised Statutes provides that national bank notes shall express upon their face the promise of the association issuing the same to pay on demand, *attested by the signatures* of the president or vice-president and cashier, and section 5182 of the Revised Statutes provides, that after any association receiving circulating notes has caused its promise to pay such notes on demand *to be signed* by the president or vice-president and cashier thereof, in such manner as to make them obligatory promissory notes, payable on demand at its place of business, such association may issue and circulate the same as money.

There can be no doubt as to the meaning and intention of these sections. The law requires that national bank notes shall be signed by the president or vice-president and cashier, before they are placed in circulation, and every bank issuing notes, not thus signed by these officers, subjects itself to a forfeiture of its charter. Notwithstanding this plain provision of law, various banks have issued their notes with printed signatures, and in some cases with lithographic signatures, which are so badly executed as to excite suspicion as to the genuineness of the notes. The written signature of the officers of the bank are necessary as an additional precaution against counterfeiting. The signature of at least one bank officer is necessary as a check between this office and the issuing bank, for if the question of an overissue of notes should arise, the signature of such officer would, without question, determine the genuineness of the note.

A bill is now pending in Congress, imposing a fine of twenty dollars for every circulating note issued by any national bank without the written signature thereon of at least one of its officers.

National bank notes, with new designs, are now being rapidly issued

to banks whose corporate existence has been extended, and to other national banks which are being organized, and it is important that these new notes should not be issued unless signed by the officers in accordance with law. The Comptroller respectfully repeats his previous recommendations for the passage of the act referred to, which act should also impose a penalty upon any engraver or lithographer who shall print the signature of bank officers upon such notes.

TAXATION.

In previous reports the repeal of the law imposing a tax upon bank capital and deposits, and of the two-cent stamp tax on checks, has been recommended as a measure of justice to the banks, and as a benefit to the people, and to the manufacturing and commercial interests of the country. During the last session of Congress a bill including a provision for repealing these taxes was passed by the House by a vote of 127 to 79. The debate in the Senate, as well as some votes on preliminary questions, showed that if a vote upon the bill had been reached it would have become a law. The force of the reasons heretofore urged for the repeal of these taxes is as great as ever. The revenue still continues in excess of the amount required for the expenses of the government, including interest on the public debt which is being rapidly reduced; and the taxes imposed upon banking capital by the government, State, and municipal authorities are larger than during any previous year. The Comptroller presents, herewith, a table which gives, for the year 1881, the amount of the banking capital invested in national banks, and the amount and rates of United States and State taxes paid by the national banks in every State and principal city in the Union.

States and Territories.	Capital.*	Amount of taxes.			Ratios to capital.		
		United States.	State.	Total.	United States.	State.	Total.
					<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
Maine.....	\$10,394,806	\$129,324	\$226,648	\$355,972	1.2	2.2	3.4
New Hampshire.....	5,835,442	73,493	98,848	172,341	1.3	1.7	3.0
Vermont.....	8,073,115	92,045	125,796	217,841	1.1	1.6	2.7
Massachusetts.....	45,340,820	601,953	856,031	1,457,984	1.3	1.9	3.2
Boston.....	50,862,191	883,716	903,444	1,787,160	1.7	1.8	3.5
Rhode Island.....	19,968,874	216,910	280,812	497,722	1.1	1.4	2.5
Connecticut.....	25,539,720	325,760	419,701	745,461	1.3	1.6	2.9
New England States.....	166,014,968	2,323,261	2,911,280	5,234,481	1.4	1.8	3.2
New York.....	33,037,003	605,458	573,679	1,179,137	1.8	1.8	3.6
New York City.....	51,045,869	1,697,003	1,757,982	3,454,985	3.3	3.5	6.8
Albany.....	1,800,000	62,851	49,058	111,909	3.5	2.7	6.2
New Jersey.....	12,913,077	239,020	229,874	468,894	1.9	1.9	3.8
Pennsylvania.....	29,305,142	518,798	186,981	705,779	1.8	0.6	2.4
Philadelphia.....	17,358,000	442,913	129,368	572,281	2.6	0.7	3.3
Pittsburgh.....	9,850,000	176,812	78,838	255,150	1.8	0.8	2.6
Delaware.....	1,743,985	31,820	2,866	34,686	1.8	0.2	2.0
Maryland.....	2,396,849	43,331	36,256	79,607	1.8	1.5	3.3
Baltimore.....	11,136,997	167,350	175,356	342,706	1.5	1.6	3.1
District of Columbia.....	252,000	5,100	255	5,355	2.0	0.1	2.1
Washington.....	1,125,000	18,193	4,261	22,454	1.6	0.4	2.0
Middle States.....	171,963,922	4,008,169	3,234,774	7,232,943	2.3	1.9	4.2
Virginia.....	2,978,995	66,749	59,540	126,289	2.2	2.0	4.2
West Virginia.....	1,750,470	26,262	32,560	58,822	1.5	1.8	3.3
North Carolina.....	2,501,000	35,142	31,039	66,181	1.4	1.4	2.8
South Carolina.....	1,871,679	31,748	44,607	76,355	1.7	2.4	4.1
Georgia.....	2,250,946	33,744	38,838	72,582	1.5	1.8	3.3
Florida.....	100,000	2,535	1,035	3,570	2.5	2.1	4.6

*The capital of the banks that reported State, county, and municipal taxes on stock and real estate is \$456,579,431.

States and Territories.	Capital.	Amount of taxes.			Ratios to capital.		
		United States.	State.	Total.	United States.	State.	Total.
					<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
Alabama	\$1,518,000	\$19,814	\$16,285	\$36,099	1.3	1.1	2.4
New Orleans	2,875,000	67,698	7,092	74,790	2.4	0.3	2.7
Texas	1,330,769	27,247	15,998	43,245	1.9	1.5	3.4
Arkansas	205,000	4,506	3,237	7,743	2.2	1.6	3.8
Kentucky	7,303,824	101,529	47,970	149,499	1.4	0.6	2.0
Louisville	3,151,500	54,544	24,891	79,435	1.7	0.8	2.5
Tennessee	3,321,239	66,700	62,903	129,603	2.0	2.1	4.1
Southern States	31,258,422	538,209	388,995	927,204	1.7	1.3	3.0
Ohio	19,158,781	334,242	361,143	695,385	1.7	1.9	3.6
Cincinnati	5,732,633	131,973	104,151	236,124	2.3	1.9	4.2
Cleveland	3,700,000	57,583	57,816	115,399	1.6	1.6	3.2
Indiana	13,025,842	222,220	265,197	487,417	1.7	2.0	3.7
Illinois	10,914,614	234,657	196,060	431,617	2.1	1.8	3.9
Chicago	4,250,000	252,849	109,763	362,112	5.9	2.6	8.5
Michigan	7,348,556	126,613	131,511	258,124	1.7	1.8	3.5
Detroit	2,114,298	52,468	37,889	90,357	2.5	1.8	4.3
Wisconsin	2,419,721	56,338	46,777	103,115	2.3	2.0	4.3
Milwaukee	650,000	29,794	15,604	45,398	4.6	2.4	7.0
Iowa	5,999,645	123,069	114,650	237,719	2.1	2.0	4.1
Minnesota	5,062,546	95,716	87,298	183,014	1.9	1.8	3.7
Missouri	1,534,184	31,156	31,822	62,978	2.0	2.3	4.3
Saint Louis	2,725,000	68,120	70,245	138,365	2.5	2.7	5.2
Kansas	925,000	20,067	24,208	45,175	2.3	2.8	5.1
Nebraska	880,924	32,911	22,239	55,150	3.7	2.5	6.2
Colorado	1,185,702	57,329	29,139	86,468	4.8	2.9	7.7
Nevada	62,500	992	1,050	2,042	1.6	1.7	3.3
California	1,780,788	32,289	11,264	43,553	1.8	0.6	2.4
San Francisco	1,500,000	18,661	103	18,764	1.2	0.1	1.3
Oregon	250,000	10,985	4,250	15,235	4.4	1.7	6.1
Dakota	554,909	10,999	16,013	27,012	2.0	3.1	5.1
Idaho	100,000	1,940	3,047	4,987	1.9	3.0	4.9
Montana	225,815	8,590	5,470	14,060	3.8	2.7	6.5
New Mexico	400,000	8,149	5,070	13,219	2.0	1.3	3.3
Utah	200,000	5,573	3,600	9,173	2.8	1.8	4.6
Washington	200,000	3,151	2,070	5,221	1.6	1.4	3.0
Wyoming	202,831	4,179	3,090	7,269	2.1	2.1	4.2
Western States and Territories	93,104,289	2,033,013	1,761,439	3,794,452	2.2	1.9	4.1
United States	462,341,601	8,902,592	8,286,488	17,189,080	1.9	1.8	3.7

Similar tables for the years 1867 and 1869, and for the years 1874 to 1880, inclusive, may be found in the Appendix.

The following condensed table shows for the years 1879, 1880, and 1881 the amount of these taxes paid by banks located in each geographical division of the country:

1879.

Geographical divisions.	Capital.	Amount of taxes.			Ratios to capital.		
		United States.	State.	Total.	United States.	State.	Total.
New England States	\$165,032,512	\$1,942,209	\$2,532,004	\$4,474,213	1.2	1.5	2.7
Middle States	179,431,205	3,190,113	2,936,269	6,126,382	1.9	1.7	3.6
Southern States	39,555,018	425,997	383,927	809,924	1.4	1.3	2.7
Western States and Terr's.	90,949,769	1,457,812	1,751,032	3,208,844	1.6	2.0	3.6
United States	456,968,504	7,016,131	7,603,232	14,619,363	1.5	1.7	3.2

1880.

Geographical divisions.	Capital.	Amount of taxes.			Ratios of capital.		
		United States.	State.	Total.	United States.	State.	Total.
New England States.....	\$165,680,256	\$2,190,921	\$2,886,916	\$5,077,837	1.3	1.8	3.1
Middle States.....	170,781,946	3,697,245	2,927,948	6,625,193	2.2	1.8	4.0
Southern States.....	30,829,178	479,613	403,092	882,705	1.6	1.4	3.0
Western States and Terr's.	89,975,165	1,750,324	1,658,866	3,409,190	1.9	2.0	3.9
United States.....	457,266,545	8,118,103	7,876,822	15,994,925	1.8	1.8	3.6

1881.

New England States.....	\$166,014,968	\$2,323,201	\$2,911,280	\$5,234,481	1.4	1.8	3.2
Middle States.....	171,963,922	4,008,169	3,224,774	7,232,943	2.3	1.9	4.2
Southern States.....	31,258,422	538,209	388,995	927,204	1.7	1.3	3.0
Western States and Terr's.	93,104,289	2,033,013	1,761,439	3,794,452	2.2	1.9	4.1
United States.....	462,341,601	8,902,592	8,286,488	17,189,080	1.9	1.8	3.7

It will be seen that the per centage of State taxation during the year 1881 varies from 1.3 per cent. in the Southern States to 1.9 per cent. in the Middle and Western States, and that the average percentage throughout the United States remains the same as it was during the year 1880, but has increased one-tenth of one per cent. as compared with that paid during the year 1879. The total of United States and State taxes paid by national banks to capital is 3.7 per cent. during the year 1881, having increased one-tenth of one per cent. over those paid in 1880, and one-half of one per cent. over those paid during the year 1879.

The rates of United States taxation are the same in all sections of the country. The inequality in the percentages of United States taxes to capital arises from the fact that while the United States tax is imposed on the three items of capital, deposits, and circulation, the percentages given in the tables are those of the total tax derived from these three sources to capital only. Where the deposits are large in proportion to capital, the proportion of the United States tax, as measured by capital, appears greater. The first table given below shows the percentages to capital of taxation paid by the banks in the principal cities of the country. Particular attention is called to the inequality in State taxation shown by it. The second table gives the States in which the taxes, United States and State, are most excessive.

Cities.	1879.			1880.			1881.		
	United States.	State.	Total.	United States.	State.	Total.	United States.	State.	Total.
	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
Boston.....	1.3	1.3	2.6	1.6	1.9	3.5	1.7	1.8	3.5
New York.....	2.6	2.9	5.5	3.1	2.9	6.0	3.3	3.5	6.8
Albany.....	2.9	2.5	5.4	3.1	3.2	6.3	3.5	2.7	6.2
Philadelphia.....	2.1	0.7	2.8	2.4	0.7	3.1	2.6	0.7	3.3
Pittsburgh.....	1.4	0.6	2.0	1.7	0.7	2.4	1.8	0.8	2.6
Baltimore.....	1.2	1.3	2.5	1.4	1.5	2.9	1.5	1.6	3.1
Washington.....	1.4	0.4	1.8	1.5	0.4	1.9	1.6	0.4	2.0
New Orleans.....	1.7	0.5	2.2	2.0	0.2	2.2	2.4	0.3	2.7
Louisville.....	1.5	0.6	2.1	1.7	0.6	2.3	1.7	0.8	2.5
Cincinnati.....	1.9	2.4	4.3	2.3	2.3	4.6	2.3	1.9	4.2
Cleveland.....	1.3	2.0	3.3	1.4	1.6	3.0	1.6	1.6	3.2
Chicago.....	3.4	2.4	5.8	4.8	2.5	7.3	5.9	2.6	8.5
Detroit.....	1.8	2.2	4.0	2.2	1.7	3.9	2.5	1.8	4.3
Milwaukee.....	2.8	2.5	5.3	4.0	3.0	7.0	4.6	2.4	7.0
Saint Louis.....	1.8	2.1	3.9	2.4	2.5	4.9	2.5	2.7	5.2
Saint Paul.....	1.5	1.5	3.0	1.7	1.8	3.5	1.4	2.1	3.5

States.	1879.			1880.			1881.		
	United States.	State.	Total.	United States.	State.	Total.	United States.	State.	Total.
	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
New York.....	1.5	2.0	3.5	1.7	1.9	3.6	1.8	1.8	3.6
New Jersey.....	1.5	1.8	3.3	1.7	1.9	3.6	1.9	1.9	3.8
Ohio.....	1.4	2.0	3.4	1.6	1.9	3.5	1.7	1.9	3.6
Indiana.....	1.4	2.1	3.5	1.6	2.2	3.8	1.7	2.0	3.7
Illinois.....	1.5	1.8	3.3	1.9	1.8	3.7	2.1	1.8	3.9
Wisconsin.....	1.6	1.8	3.4	2.0	1.9	3.9	2.3	2.0	4.3
Kansas.....	2.1	2.7	4.8	2.3	2.2	4.5	2.3	2.8	5.1
Nebraska.....	2.6	2.6	5.2	3.3	2.5	5.8	3.7	2.5	6.2
South Carolina.....	1.2	2.0	3.2	1.4	2.5	3.9	1.7	2.4	4.1
Tennessee.....	1.7	1.8	3.5	1.9	2.7	4.6	2.0	2.1	4.1

The uniform rates of United States taxes are annually one per cent. upon their notes in circulation; one-half of one per cent. upon their deposits, and the same rate upon the average amount of their capital, in excess of that invested by them in United States bonds. These taxes are paid semi-annually by the national banks to the Treasurer of the United States, and subject the government to no expense for their collection.

The whole cost of the national banking system to the government, from the date of its establishment in 1863, has been \$5,366,908; on the other hand, the government has, in about twenty years, collected taxes upon the capital, circulation, and deposits of national banks at the rates heretofore specified, amounting, as may be seen by the following table, to \$118,005,706.25:

Years.	On circulation.	On deposits.	On capital.	Total.
1864.....	\$53,193 32	\$95,911 87	\$18,432 07	\$167,537 26
1865.....	733,247 59	1,087,530 86	133,251 15	1,954,029 60
1866.....	2,106,785 30	2,633,102 77	400,947 74	5,146,835 81
1867.....	2,868,636 78	2,650,180 09	321,881 36	5,840,698 23
1868.....	2,946,343 07	2,564,143 44	306,781 67	5,817,268 18
1869.....	2,957,416 73	2,614,553 58	312,918 68	5,884,888 99
1870.....	2,940,744 13	2,614,767 61	375,962 26	5,940,474 00
1871.....	2,987,021 69	2,802,840 85	385,292 13	6,175,154 67
1872.....	3,193,570 03	3,120,984 37	389,356 27	6,703,910 67
1873.....	3,353,186 13	3,190,569 29	454,891 51	7,004,646 93
1874.....	3,404,483 11	3,209,967 72	469,048 02	7,083,498 85
1875.....	3,283,450 89	3,514,265 39	507,417 76	7,305,134 04
1876.....	3,091,795 76	3,505,129 64	632,296 16	7,229,221 56
1877.....	2,904,957 53	3,451,965 38	660,784 90	7,017,707 81
1878.....	2,948,047 08	3,273,111 74	560,296 83	6,781,455 65
1879.....	3,009,647 16	3,309,668 90	401,920 61	6,721,236 67
1880.....	3,153,635 63	4,058,710 61	379,424 19	7,591,770 43
1881.....	3,121,374 33	4,940,945 12	431,293 10	8,493,552 55
1882.....	3,190,981 98	5,521,927 47	437,774 90	9,150,684 35
Aggregates.....	52,253,518 24	58,166,276 70	7,585,911 31	118,005,706 25

The tax imposed upon banks other than national is collected by the Commissioner of Internal Revenue. The rates upon capital and deposits are the same as in the case of the national banks. A tax of ten per cent. is imposed, under section 3412 of the Revised Statutes, on the use, in payments, of notes issued by any banks other than national. This tax has the effect of preventing the issue of circulating notes by State banks. The table below gives the taxes collected annually by the Commissioner of Internal Revenue during the years from 1864 to

1882, inclusive, showing the whole amount paid during that period by banks, other than national, to have been \$66,793,930.

Years.	On circulation.	On deposits.	On capital.	Totals.
1864.....	\$2,056,996 30	\$780,723 52	.....	\$2,837,719 82
1865.....	1,993,661 84	2,043,841 08	\$903,367 98	4,940,870 90
1866.....	990,273 11	2,099,635 83	374,074 11	3,463,988 05
1867.....	214,298 75	1,355,395 98	476,867 73	2,046,562 46
1868.....	28,669 88	1,438,512 77	399,562 90	1,866,745 55
1869.....	16,565 05	1,734,417 63	445,071 49	2,196,054 17
1870.....	15,419 94	2,177,576 46	827,087 21	3,020,083 61
1871.....	22,781 92	2,702,196 84	919,262 77	3,644,241 53
1872.....	8,919 82	3,643,251 71	976,057 61	4,628,229 14
1873.....	24,778 62	3,009,302 79	736,950 05	3,771,031 46
1874.....	16,738 26	3,453,544 26	916,878 15	3,387,160 67
1875.....	22,746 27	2,972,260 27	1,102,241 58	4,097,248 12
1876.....	17,947 67	2,999,530 75	989,219 61	4,006,698 03
1877.....	5,430 16	2,896,637 93	927,661 24	3,829,729 33
1878.....	1,118 72	2,593,687 29	897,225 84	3,492,031 85
1879.....	13,903 29	2,354,911 74	830,068 56	3,198,883 59
1880.....	28,773 37	2,510,775 43	811,436 48	3,350,985 28
1881.....	4,295 08	2,946,906 64	811,006 35	3,762,208 07
1882.....	4,285 77	4,096,102 45	1,153,070 25	5,253,458 47
Aggregates.....	5,487,608 82	46,809,211 37	14,497,109 91	66,793,930 10

The following table exhibits the taxes, both national and State, paid by the national banks during each of the sixteen years preceding 1882, and the proportion of such taxes to capital.

Years.	Capital stock.	Amount of taxes.			Ratio of tax to capital.		
		United States.	State.	Total.	United States.	State.	Total.
					<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
1866.....	\$410,593,435	\$7,949,451	\$8,069,938	\$16,019,389	1.9	2.0	3.9
1867.....	422,804,666	9,525,607	8,813,127	18,338,734	2.2	2.1	4.3
1868.....	420,143,491	9,465,652	8,757,656	18,223,308	2.2	2.1	4.3
1869.....	419,619,860	10,081,244	7,297,096	17,378,340	2.4	1.7	4.1
1870.....	429,314,041	10,190,682	7,465,675	17,656,357	2.4	1.7	4.1
1871.....	451,994,133	10,649,895	7,860,078	18,509,973	2.4	1.7	4.1
1872.....	472,956,938	6,703,910	8,343,772	15,047,682	1.4	1.8	3.2
1873.....	488,778,418	7,004,646	8,499,748	15,504,394	1.4	1.8	3.2
1874.....	493,751,679	7,256,083	9,620,326	16,876,409	1.5	2.0	3.5
1875.....	503,687,911	7,317,531	10,058,122	17,375,653	1.5	2.0	3.5
1876.....	501,788,079	7,076,087	9,701,732	16,777,819	1.4	2.0	3.4
1877.....	485,250,694	6,902,573	8,829,304	15,731,877	1.4	1.9	3.3
1878.....	471,064,238	6,727,232	8,056,533	14,783,765	1.4	1.7	3.1
1879.....	456,968,504	7,016,131	7,603,232	14,619,363	1.5	1.7	3.2
1880.....	457,266,545	8,118,103	7,876,822	15,994,925	1.8	1.8	3.6
1881.....	462,341,601	8,902,592	8,286,488	17,189,080	1.9	1.8	3.7

This table shows that the percentages to capital of taxes have never been less than three per cent. annually, and that during the last four years given there has been an increase in the rate from 3.1 per cent. to 3.7 per cent. It is probable that the rates of State taxation paid by banks, other than national, do not vary much from the rate of those paid by the national banks, although in many of the States, the laws relative to the assessment of taxes upon bank capital have, heretofore, somewhat discriminated against national banks. The repeal of the law imposing the government taxes will still leave the banks subject to a burden of taxation by the different States much greater than that imposed by them upon any other kind of capital, and this repeal is again urgently recommended. The reduction of the annual rate of the tax on circulation to one-half of one per cent. is also recommended for reasons given in another portion of this report.

DECISIONS RELATIVE TO STATE TAXATION OF NATIONAL BANK SHARES.

In the last annual report of the Comptroller of the Currency reference was made to the decision of the United States circuit court of the northern district of the State of New York, in the case of the National Albany Exchange Bank *vs.* Charles A. Hills *et al.*, supervisors of Albany County, New York, namely, that the law of the State of New York under which taxes had been assessed for fourteen years upon bank shares was void and invalid, for the reason that this act did not permit the owners of national bank shares to reduce the assessment by the amount of their debts, while owners of other moneyed capital possessed that privilege. The circuit court rendered a judgment in favor of Stanley, the assignee and representative of the stockholders of the National Albany Exchange Bank, for taxes previously exacted and paid. The supervisors appealed to the Supreme Court of the United States. The decision of the latter court was rendered April 3, 1882, and reversed the decision of the circuit court in the case of all except one of the stockholders represented by Stanley.

The court said:

The question here to be decided arises under two statutes of the State of New York in regard to taxation. The first of these is the act of 1850, relating to the assessment and collection of taxes in the city of Albany. The sixth section of the act requires the board of assessors to prepare an assessment roll, in which there shall be set opposite the name of each tax-payer (1) all his real estate liable to taxation, and its value; (2) the full value of all his personal property, after deducting the just debts owing by him. Section 9 of the act is as follows: "If any person shall at any time before the assessors shall have completed their assessments make affidavit that the value of his real estate does not exceed a certain sum, to be specified in such affidavit, or that the value of the personal estate owned by him, after deducting his just debts and his property invested in the stock of any corporation or association liable to be taxed therefor, does not exceed a certain sum, to be specified in the affidavit, it shall be the duty of the board of assessors to value such real or personal estate, or both, as the case may be, at the sum specified in such affidavit, and no more."

In 1866 the State enacted a law concerning the taxation of bank shares, which was evidently intended to meet the requirements of the act of Congress in relation to State taxation of the shares of national banks, and the provision of this statute relates only to taxing stockholders in banks, and to the capital invested in individual banks. The first section of this act reads as follows, and it contains no other provisions for deductions as the basis of taxation, except what is found in this section:

"No tax shall hereafter be assessed upon the capital of any bank or banking association organized under the authority of this State or of the United States, but the stockholders in such banks and banking associations shall be assessed and taxed on the value of their shares of stock therein," &c.

In the case of *People v. Dolan* (36 N. Y., 59) the question was whether, taking the two statutes together, an owner of shares of stock was entitled to deduct from the assessed value of his shares the just debts due him. * * * The court of appeals decided that no such deduction should be made under the law of 1866. In the case of *Williams v. Weaver*, Williams had made the affidavit required by section 9 of the act of 1850, and demanded a deduction of the assessors, which they refused. The case was taken to the court of appeals, which reaffirmed the principles held in the case of *People v. Dolan*. The Williams case coming to the United States Supreme Court by writ of error, it was held that while we are bound to accept the decision of the highest court of the State in construction of its own statute, the act of 1866 as thus construed was in that particular in conflict with the act of Congress, because it did tax shares of the national banks at a higher rate than other moneyed capital in the State. * * * Accepting, therefore, as we must, the act of 1866, as construed by the court of appeals of New York, as not authorizing any deduction for debts by a shareholder of a national bank, is it for that reason absolutely void? * * * It would seem that if the act remains a valid rate of assessment for shares of State banks and for individual bankers, it should also remain the rule for shareholders of national banks who have no debts to deduct. * * *

None of the stockholders except Williams made the affidavit required by the act of 1850, showing they had debts to deduct, and therefore in

their case the judgment of the circuit court was reversed, and in that of Williams affirmed.

This decision seems to cut off all remedy for taxes already paid by stockholders of Albany national banks who neglected to make the affidavit required under the act of 1850.

In *People v. Weaver* the Supreme Court pointed out that the method to pursue in cases where the taxation by State authority of shares of national banks was greater than that of other monied capital in the same State, was by enjoining the collection of the excessive taxation. In the case of *National Albany Exchange Bank v. Hills*, the bank brought, on behalf of its stockholders, a suit to enjoin the collection for taxes assessed but unpaid for the year 1879, and the circuit court of the northern district of New York granted a perpetual injunction. The Supreme Court decided that the injunction was properly granted as to one stockholder, who made affidavit and demand on account of deduction of his debts, but not as to the others, who had made no such affidavit or demand, but in the case of the latter the lower court was directed to permit them to bring their action in an amended form, on the ground that they refrained from making affidavit and demand, because they knew it would have no effect.

In the case of *German National Bank of Chicago v. Kimball*, appealed to the United States Supreme Court from circuit court for the northern district of Illinois, it was decided that no one can be permitted to go into a court of equity to enjoin the collection of a tax, until he has shown himself entitled to the aid of the court by paying so much of the tax assessed against him as it can be plainly seen he ought to pay, nor should he be permitted, because his tax is in excess of what is just and lawful, to screen himself from paying any tax at all, until the precise amount which he ought to pay, is ascertained by a court of equity.

In the case of *Evansville National Bank v. Britton*, referred to last year, as decided in the United States circuit court for the district of Indiana, the Supreme Court affirms the decree of the lower court, perpetually enjoining the collector as to those shareholders who at the time of the assessment proved that they owed debts which should rightfully be deducted, and dismissing the bill as to other shareholders.

All of these decisions appear to have grown out of matters pending when the decision of the United States Supreme Court in the case of *People v. Weaver* was rendered. It is probable that in most States the legislatures will so modify their laws taxing bank shares as hereafter to conform with the principles laid down in that decision; but these supplementary decisions are valuable in that they point out a mode of action in all cases where discrimination in any form is made in assessing or collecting taxes on national bank shares. The party aggrieved must clearly state the amount of the excessive taxation, pay what is justly due, and enjoin the collection of the remainder. In stating the amount believed to be unjustly demanded, strict regard must be had to the forms required by the State laws in force in the place where the bank is located. While the Supreme Court of the United States is extremely careful not unnecessarily to interfere with the effect of State legislation in the taxation of national bank shares, it upholds the rights of individuals under Federal laws when actions based on equitable grounds are brought in a proper manner.

In New York City it is claimed that under the act now in force in the State, taxing national and other bank shares, which permits the deduction of debts, there is still great discrimination in the valuation of bank shares as compared with the valuation of other personal property and real estate.

DIVIDENDS.

From the semi-annual returns made to this office under section 5212 of the Revised Statutes of the United States, the following table has been prepared, showing the dividends and total earnings, and the ratio of each to capital and combined capital and surplus, for each semi-annual period from September 1, 1869, the close of the period for which these reports were first received, to September 1, 1882.

Period of six months, ending—	No. of banks.	Capital.	Surplus.	Total dividends.	Total net earnings.	RATIOS.		
						Divi- dends to capital.	Dividends to capital and sur- plus.	Earnings to capital and sur- plus.
						<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
Sept. 1, 1869	1,481	\$401,650,802	\$82,105,848	\$21,767,831	\$29,221,184	5.42	4.50	6.04
Mar. 1, 1870	1,571	416,366,991	86,118,210	21,479,095	28,996,934	5.16	4.27	5.77
Sept. 1, 1870	1,601	425,317,104	91,630,620	21,080,343	26,813,885	4.96	4.08	5.19
Mar. 1, 1871	1,605	428,699,165	94,672,401	22,205,150	27,243,162	5.18	4.24	5.21
Sept. 1, 1871	1,693	445,999,264	98,286,591	22,125,279	27,315,311	4.96	4.07	5.02
Mar. 1, 1872	1,750	450,693,706	99,431,243	22,859,826	27,502,539	5.07	4.16	5.00
Sept. 1, 1872	1,852	465,676,023	105,181,942	23,827,289	30,572,891	5.12	4.17	5.36
Mar. 1, 1873	1,912	475,918,683	114,257,288	24,826,061	31,926,478	5.22	4.21	5.41
Sept. 1, 1873	1,955	488,100,951	118,113,848	24,823,029	33,122,000	5.09	4.09	5.46
Mar. 1, 1874	1,967	489,510,323	123,469,859	23,529,998	29,544,120	4.81	3.84	4.62
Sept. 1, 1874	1,971	489,938,284	128,364,039	24,929,307	30,036,811	5.09	4.03	4.86
Mar. 1, 1875	2,007	493,568,831	131,560,637	24,750,816	29,136,007	5.01	3.96	4.66
Sept. 1, 1875	2,047	497,864,833	134,123,649	24,317,785	28,800,217	4.88	3.85	4.56
Mar. 1, 1876	2,076	504,209,491	134,467,595	24,811,581	23,097,921	4.92	3.88	3.62
Sept. 1, 1876	2,081	500,482,271	132,251,078	22,563,829	20,540,231	4.50	3.57	3.25
Mar. 1, 1877	2,080	496,851,580	130,872,165	31,803,969	19,592,962	4.39	3.47	3.12
Sept. 1, 1877	2,072	486,324,860	124,349,254	22,117,116	15,274,028	4.54	3.62	2.50
Mar. 1, 1878	2,074	475,609,751	122,373,561	18,982,390	16,946,696	3.99	3.17	2.83
Sept. 1, 1878	2,047	470,231,696	118,667,134	17,959,232	16,873,893	3.81	3.04	2.31
Mar. 1, 1879	2,043	464,413,996	116,744,135	17,541,054	14,678,660	3.78	3.02	2.53
Sept. 1, 1879	2,045	455,132,056	115,149,351	17,401,867	16,873,200	3.82	3.05	2.96
Mar. 1, 1880	2,046	454,080,090	117,226,501	18,121,273	21,152,784	3.99	3.17	3.70
Sept. 1, 1880	2,072	454,215,062	120,145,649	18,290,200	24,033,250	4.03	3.18	4.18
Mar. 1, 1881	2,087	456,844,865	122,481,788	18,877,517	24,452,021	4.13	3.26	4.22
Sept. 1, 1881	2,100	458,934,485	127,238,394	19,499,694	29,170,816	4.25	3.33	4.98
Mar. 1, 1882	2,137	460,354,485	131,291,889	19,915,375	27,083,599	4.33	3.37	4.56
Sept. 1, 1882	2,197	473,947,715	133,570,931	20,876,553	26,237,635	4.40	3.44	4.32

In the following table is given, by geographical divisions, the number of national banks, with their capital, which paid no dividends to their stockholders during the two semi-annual periods ending March and September 1, 1882; to which has been added the total number of banks, with their capital, similarly passing dividends during the semi-annual periods of each of the four preceding years, with the average for each year and the average for the whole period of five years.

Geographical divisions.	Six months ending—				Average for the year.	
	March 1, 1882.		September 1, 1882.		No. of banks.	Capital.
	No. of banks.	Capital.	No. of banks.	Capital.		
New England States.....	7	\$1,252,000	14	\$2,206,000	11	\$1,778,000
Middle States.....	58	6,733,000	62	8,725,000	60	7,744,000
Southern States.....	18	1,640,000	25	2,337,000	21	1,988,500
Western States and Territories.....	89	7,450,000	118	12,812,730	104	10,121,615
Totals for 1882.....	173	17,185,000	219	26,080,730	196	21,632,115
Totals for 1881.....	175	20,321,530	171	18,387,550	173	19,354,540
Totals for 1880.....	226	28,407,200	233	26,334,150	230	28,370,675
Totals for 1879.....	360	58,641,700	290	44,536,200	304	49,210,000
Totals for 1878.....	328	48,797,900	357	58,736,950	343	53,767,425
Average for each year.....	242	34,119,768	256	34,823,136	249	34,466,951

The percentage to capital of dividends paid, and of dividends and earnings, respectively, to combined capital and surplus, is shown by similar geographical divisions for the years 1877 to 1882, inclusive:

Geographical divisions.	1877.			1878.			1879.		
	Divi- dends to capital.	Divi- dends to capital and sur- plus.	Earnings to capital and sur- plus.	Divi- dends to capital.	Divi- dends to capital and sur- plus.	Earnings to capital and sur- plus.	Divi- dends to capital.	Divi- dends to capital and sur- plus.	Earnings to capital and sur- plus.
	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
New England									
States.....	7.6	6.0	4.7	6.9	5.5	4.3	6.4	5.2	4.2
Middle States..	8.5	6.6	5.4	7.9	6.1	4.9	7.9	6.1	5.8
Southern States	8.3	7.1	7.1	7.3	6.2	5.7	7.0	6.0	5.4
Western States and Territo- ries.....	12.2	9.6	7.2	9.6	7.8	6.0	9.4	7.5	7.1
United States..	8.9	7.1	5.6	7.8	6.2	5.1	7.6	6.1	5.7

Geographical divisions.	1880.			1881.			1882.		
	Divi- dends to capital.	Divi- dends to capital and sur- plus.	Earnings to capital and sur- plus.	Divi- dends to capital.	Divi- dends to capital and sur- plus.	Earnings to capital and sur- plus.	Divi- dends to capital.	Divi- dends to capital and sur- plus.	Earnings to capital and sur- plus.
	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>	<i>Per ct.</i>
New England									
States.....	6.8	5.5	6.4	7.2	5.8	7.3	7.1	5.7	6.8
Middle States..	8.4	6.5	8.6	8.5	6.4	9.4	8.4	6.3	8.6
Southern States	7.8	6.7	7.6	8.3	6.9	11.3	8.2	6.7	10.3
Western States and Territo- ries.....	9.5	7.6	9.3	10.4	8.1	11.6	12.0	10.0	15.7
United States	8.0	6.4	7.9	8.4	6.6	9.2	8.7	6.8	8.9

In the appendix may be found tables exhibiting the amount of dividends and earnings of the national banks, arranged by geographical divisions, for semi-annual periods from September 1, 1873; also an abstract of reports of dividends and earnings for the two semi-annual periods of the present year, and a table, by States and reserve cities, of the ratios to capital and to combined capital and surplus of the dividends and earnings from March 1, 1877, to September 1, 1882.

LOSSES.

During the year ending September, 1882, losses in their business on every account, including losses on technical bad debts, under section 5204 of the Revised Statutes, and premiums on United States bonds, have been charged off by the national banks, amounting to \$11,324,912.93. Of this sum \$1,963,155.22 was charged off during the six months ending March 1, 1882, and \$6,361,757.71 during the six months ending September 1, 1882.

The following table shows the number of banks charging off these losses and the amount charged off in each State and reserve city in the United States for the semi-annual periods named above.

States and Territories.	March 1, 1882.		September 1, 1882.		Aggregate.
	No. of banks.	Losses.	No. of banks.	Losses.	
Maine	34	\$79,634 73	36	\$106,926 28	\$177,561 01
New Hampshire	27	43,369 91	22	79,877 71	123,247 62
Vermont	26	84,841 31	21	90,848 43	175,679 74
Massachusetts	97	355,769 27	104	370,248 93	726,018 20
Boston	36	269,692 41	41	285,216 51	554,848 82
Rhode Island	22	130,931 50	30	76,950 71	207,882 27
Connecticut	47	179,671 07	53	152,105 13	331,776 20
New York	138	482,230 69	132	439,013 51	921,244 20
New York City	40	406,519 58	41	815,959 14	1,282,478 72
Albany	5	21,401 38	5	84,790 97	106,192 35
New Jersey	47	261,295 73	50	205,688 03	466,983 76
Pennsylvania	114	309,020 24	111	255,080 14	564,100 38
Philadelphia	25	333,833 66	25	255,258 93	589,092 59
Pittsburgh	13	119,205 60	17	992,381 21	1,111,586 81
Delaware	8	43,566 60	7	10,176 70	53,743 30
Maryland	9	12,839 37	9	85,854 63	48,794 00
Baltimore	12	33,047 65	12	104,116 35	137,164 00
District of Columbia			1	2,200 00	2,200 00
Washington	5	17,145 61	5	29,490 93	46,636 54
Virginia	12	34,345 71	15	63,688 53	98,034 24
West Virginia	3	1,110 79	5	3,171 75	4,282 54
North Carolina	10	23,607 94	8	80,692 33	104,300 27
South Carolina	8	79,306 74	10	44,880 17	124,246 91
Georgia	8	18,201 60	8	32,781 87	50,983 47
Florida	1	1,957 26	1	5 00	1,962 26
Alabama	6	43,699 08	7	9,343 38	53,042 46
New Orleans	5	23,811 21	7	129,905 30	153,716 51
Texas	11	47,751 55	11	58,358 43	106,109 68
Arkansas	1	9,515 90	2	3,716 42	13,232 32
Kentucky	24	76,659 80	23	42,721 40	119,372 20
Louisville	8	37,245 99	7	19,894 14	57,140 13
Tennessee	10	40,516 90	18	30,221 63	70,738 53
Ohio	85	256,334 63	99	311,295 37	567,630 00
Cincinnati	5	13,474 68	8	70,405 19	83,879 87
Cleveland	4	47,621 14	5	65,740 74	113,361 83
Indiana	48	106,422 07	41	108,330 09	214,752 16
Illinois	63	139,146 49	65	149,522 62	288,669 11
Chicago	5	101,933 50	8	63,521 65	165,455 15
Michigan	45	72,400 47	42	76,930 40	149,330 87
Detroit	3	50,147 58	3	12,191 58	62,339 16
Wisconsin	14	28,789 96	15	42,531 37	71,321 33
Milwaukee	3	15,217 22	1	695 09	15,912 31
Iowa	32	66,200 20	43	87,756 76	153,956 96
Minnesota	16	66,801 04	18	70,402 99	137,204 03
Missouri	10	34,526 74	12	59,077 10	113,603 84
Saint Louis	4	70,940 63	4	75,693 70	146,634 33
Kansas	5	10,684 84	9	20,613 76	31,298 60
Nebraska	9	12,041 81	6	19,945 50	31,987 31
Colorado	12	66,312 91	14	166,565 84	232,878 75
Nevada	1	692 65	1	381 97	1,073 72
California	8	28,192 99	4	16,882 25	45,075 24
San Francisco	1	10,439 04	1	5,937 43	16,376 47
Oregon	1	24,355 60			24,355 60
Dakota	5	33,654 71	5	22,029 81	55,684 52
Montana	2	3,404 45	2	2,280 97	5,685 42
New Mexico	3	4,098 40	3	1,018 68	5,117 08
Washington	1	5,796 48			5,796 48
Wyoming	2	697 55	2	494 16	1,191 71
Totals for 1882	1,199	4,963,155 22	1,252	6,361,757 71	11,324,912 93
Add for 1881	1,210	5,889,761 19	1,269	6,891,588 56	12,691,349 75
Add for 1880	1,360	7,363,886 04	1,321	7,142,949 36	14,706,406 00
Add for 1879	1,421	10,248,324 98	1,442	11,487,330 17	21,725,655 15
Add for 1878	1,394	10,863,145 04	1,430	13,563,654 85	24,466,799 89
Aggregate losses for five years		39,368,272 47		45,356,851 25	84,915,123 72

The total losses charged off in each of the five preceding years are added to this table. A considerable portion of these technical losses have already been collected, and other large amounts will undoubtedly be hereafter recovered. Full tables for the six preceding years may be found in the appendix.

The following table gives the losses for the last five years of the national banks located in each geographical division of the United States. The number of banks reporting losses and the total losses for five years are also shown in this table.

Six months ending—	New England States.		Middle States.		Southern States.		Western States and Territories.		United States.	
	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.	No.	Amount.
March 1, 1878.....	327	\$3,344,012	417	\$4,506,813	124	\$672,032	436	\$2,380,288	1,304	\$10,903,145
September 1, 1878.	399	4,016,814	449	5,502,770	140	1,225,602	442	2,818,469	1,430	13,563,655
Total, 1878.....	.....	7,360,826	.....	10,009,583	.....	1,897,634	.....	5,198,757	.....	24,466,800
March 1, 1879.....	379	3,612,128	459	3,592,950	125	696,616	458	2,336,600	1,421	10,238,324
September 1, 1879.	384	3,388,394	463	4,360,440	139	1,235,784	456	2,502,712	1,442	11,487,330
Total, 1879.....	.....	7,000,522	.....	7,953,390	.....	1,932,430	.....	4,839,312	.....	21,725,654
March 1, 1880.....	362	2,236,928	446	3,152,317	121	530,769	431	1,643,872	1,360	7,563,886
September 1, 1880.	326	1,866,658	440	2,817,870	124	787,046	431	1,670,946	1,321	7,142,526
Total, 1880.....	.....	4,103,586	.....	5,970,187	.....	1,317,815	.....	3,314,818	.....	14,706,406
March 1, 1881.....	285	1,584,675	412	2,548,203	112	384,607	401	1,372,276	1,210	5,889,761
September 1, 1881.	318	1,707,338	428	2,975,110	119	797,233	404	1,321,908	1,269	6,801,589
Total, 1881.....	.....	3,292,013	.....	5,523,313	.....	1,181,840	.....	2,694,184	.....	12,691,350
March 1, 1882.....	289	1,134,840	416	2,100,206	107	437,781	387	1,290,328	1,199	4,963,155
September 1, 1882.	304	1,162,174	415	3,230,011	122	519,380	411	1,450,193	1,252	6,361,758
Total, 1882.....	.....	2,297,014	.....	5,330,217	.....	957,161	.....	2,740,521	.....	11,324,913
Total for five years.....	.....	24,053,961	.....	34,786,690	.....	7,286,880	.....	18,787,592	.....	84,915,123

Of the losses exhibited by the foregoing tables, \$2,025,502 was on account of premiums on United States bonds charged off. The high premiums upon the United States bonds not subject to redemption at the option of the government, compel those organizing new national banks to invest a portion of their capital in a premium account. As the premium may entirely disappear at the maturity of the bonds it has been a requirement of this office that a portion of such premium account shall be charged to undivided profits each half year before the declaration of a dividend until the whole account shall have disappeared. It is, of course, possible that many of these amounts charged off, either on account of premiums or on account of technical bad debts, may eventually be realized by the bank. The bank may close and withdraw and sell its bonds while they yet command a premium. Debts, though technically bad on account of interest remaining due and unpaid over six months, may nevertheless be afterwards paid. These recovered losses are included in the profits of each half year. Banks holding 4 per cent. bonds have been instructed to charge off each year one-twentieth part of the premium paid thereon, and counted as an asset; those holding 4½ per cent. bonds have been instructed to similarly charge off one-tenth of the premium, and those holding Pacific Railroad sixes to charge off one-fifteenth. The charges in each case were to be made previous to the semi-annual declaration of a dividend, and at no time is the amount of premium counted as an asset to exceed the current market premium on the bonds held.

In the following table the losses charged off by the national banks in the principal cities of the country are given for each of the years covered by the preceding tables, with the total for the period.

Cities.	1878.	1879.	1880.	1881.	1882.	Total.
New York.....	\$5,147,319 98	\$3,135,557 37	\$2,054,381 52	\$2,321,002 62	\$1,282,478 72	\$13,940,740 21
Boston.....	2,490,197 46	2,655,390 58	1,110,831 72	701,054 73	554,848 82	7,512,323 31
Philadelphia....	561,676 30	491,558 36	399,943 74	406,249 16	589,092 59	2,448,520 15
Pittsburgh.....	419,036 51	333,622 99	258,128 15	258,088 00	1,111,586 81	2,379,662 55
Baltimore.....	368,915 99	294,507 00	211,329 01	99,179 76	137,164 00	1,111,095 76
New Orleans....	338,496 90	272,889 87	118,080 38	74,920 25	153,716 51	958,103 91

SURPLUS.

In the following table is exhibited the gradual accumulation of a surplus fund under the provisions of section 5199, requiring each association, before the declaration of the semi-annual dividend, to carry to surplus one-tenth of its net profits for the preceding half year, until such fund shall amount to 20 per cent. of its capital.

Dates.	Amount.	Semi-annual increase or decrease.	Dates.	Amount.	Semi-annual increase or decrease.
		<i>Increase.</i>			<i>Increase.</i>
July 4, 1864.....	\$1,129,910		December 26, 1873.....	\$120,961,268	\$4,113,813
January 2, 1865.....	8,663,311	\$7,533,401	June 26, 1874.....	126,239,308	5,278,040
July 3, 1865.....	31,303,566	22,640,255	December 31, 1874...	130,485,641	4,246,333
January 1, 1866.....	43,000,371	11,696,805	June 30, 1875.....	133,169,095	2,683,454
July 2, 1866.....	50,151,992	7,151,621			<i>Decrease.</i>
January 7, 1867.....	59,992,875	9,840,883	December 17, 1875....	133,085,422	83,673
July 1, 1867.....	63,232,811	3,239,936	June 30, 1876.....	131,897,197	1,188,225
January 6, 1868.....	70,586,126	7,253,315	December 22, 1876....	131,390,665	506,532
July 6, 1868.....	75,810,119	5,253,993	June 22, 1877.....	124,714,073	6,676,592
January 4, 1869.....	81,169,937	5,329,818	December 28, 1877....	121,568,455	3,145,618
June 12, 1869.....	82,218,576	1,048,639	June 29, 1878.....	118,178,531	3,389,924
January 22, 1870.....	90,174,281	7,955,705	January 1, 1879.....	118,200,864	1,977,667
June 9, 1870.....	91,689,834	1,515,553	June 14, 1879.....	114,321,376	1,879,488
December 28, 1870...	94,705,740	3,015,906			<i>Increase.</i>
June 10, 1871.....	98,322,204	3,616,464	December 12, 1879....	115,429,032	\$1,107,656
December 16, 1871...	101,573,154	3,250,950	June 11, 1880.....	118,102,014	2,672,982
June 10, 1872.....	105,181,943	3,608,789	December 31, 1 0....	121,824,629	3,722,615
December 27, 1872...	111,410,249	6,228,306	June 30, 1881.....	126,679,518	4,854,889
June 13, 1873.....	116,847,455	5,437,206	December 31, 18 1....	129,867,494	3,187,976
			July 1, 1882.....	131,079,251	1,211,757

Practically the law requires that the surplus fund of each bank shall at all times equal an amount equal to one-tenth of its total net earnings since it commenced business. Many of the banks accumulate the fund much faster than this, and some pass dividends for the purpose of doing so. Some do not stop at the twenty per cent. limit named in section 5199, but continue to increase their surplus until the latter is often greater than the capital stock. As the fund is very rarely diminished except for such extraordinary losses as cannot be met out of current profits, it, together with the capital, constitutes the working fund of the bank by the use of which dividends are earned. Bearing this in mind, it will be seen that the returns made to stockholders of national banks for their investment are not excessive.

In an excellent paper on the national banks of the United States, read before the Banker's Institute of London, England, May 17, 1882, by Mr. Robert W. Barnett, an associate of the Institute, and published

in the journal of the Institute for July, 1882, the following comment is made:

"Dividends paid by the banks have, on the whole, been satisfactory; although, taking into consideration the value of capital in the United States and the general rates of interest prevailing, the average rate of dividends must be pronounced moderate."

UNITED STATES LEGAL-TENDER NOTES AND NATIONAL BANK CIRCULATION.

The acts of February 25, 1862, July 11, 1862, and March 3, 1863, each authorized the issue of 150 millions of dollars of legal-tender notes, making an aggregate of 450 millions of dollars.

On January 30, 1864, the amount of such notes outstanding was \$449,338,902, which was the highest amount outstanding at any one time. The act of June 30, 1864, provided that the total amount of United States notes issued, or to be issued, should not exceed 400 millions of dollars, and such additional sum, not exceeding 50 millions, as might be temporarily required for the redemption of temporary loans. By the act of June 20, 1874, the maximum amount was fixed at 382 millions. Section 3, act of January 14, 1875, authorized an increase of the circulation of national banks in accordance with existing law, without respect to the limit previously existing, and required the Secretary of the Treasury to retire legal-tender notes to an amount equal to eighty per cent. of the national-bank notes thereafter issued, until the amount of such legal-tender notes outstanding should be 300 millions, and no more. Under the operation of this act, \$35,318,984 of legal-tender notes were retired, leaving the amount in circulation on May 31, 1878, the date of the repeal of the act, \$346,681,016, which is the amount now outstanding.

In the following table are given the amount and kinds of the outstanding currency of the United States and of the national banks on January 1 of each year, from 1866 to 1882, and on November 1, 1882, to which is prefixed the amount on August 31, 1865, when the public debt reached its maximum.

Date.	United States issues.			Notes of national banks, including gold notes.	Aggregate.	Currency price of \$100 gold.	Gold price of \$100 currency.
	Legal-tender notes.	Old demand notes.	Fractional currency.				
Aug. 31, 1865.	\$432,553,912	\$402,965	\$26,344,742	\$176,213,955	\$635,515,574	\$144 25	\$69 32
Jan. 1, 1866	425,839,319	392,670	26,000,420	236,636,098	688,867,907	144 50	69 20
Jan. 1, 1867	380,276,160	221,632	28,732,812	298,588,419	707,819,023	133 00	75 18
Jan. 1, 1868	358,000,000	159,127	31,597,583	299,846,206	687,602,916	123 25	75 04
Jan. 1, 1869	356,000,000	128,098	34,215,715	299,747,569	690,091,382	135 00	74 07
Jan. 1, 1870	356,000,000	113,098	39,762,664	299,629,322	695,505,084	120 00	83 33
Jan. 1, 1871	356,000,000	101,086	39,995,089	306,307,672	702,403,847	110 75	90 29
Jan. 1, 1872	357,500,000	92,801	40,767,877	328,465,431	726,826,109	109 50	91 32
Jan. 1, 1873	358,557,907	84,387	45,722,061	344,582,812	748,947,167	112 00	89 28
Jan. 1, 1874	378,401,702	79,637	48,544,792	350,848,236	777,874,367	110 25	90 70
Jan. 1, 1875	382,000,000	72,817	46,390,598	354,128,250	782,591,165	112 50	88 89
Jan. 1, 1876	371,827,220	69,642	44,147,072	346,479,756	762,523,690	112 75	88 69
Jan. 1, 1877	366,055,084	65,462	26,348,206	321,595,606	714,064,358	107 00	93 46
Jan. 1, 1878	349,943,776	63,532	17,764,109	321,672,505	689,443,922	102 87	97 21
Jan. 1, 1879	346,681,016	62,035	16,108,159	323,791,674	686,642,884	100 00	100 00
Jan. 1, 1880	346,681,016	61,350	15,674,304	342,587,316	704,804,666	100 00	100 00
Jan. 1, 1881	346,681,016	60,745	15,523,464	344,355,203	706,620,428	100 00	100 00
Jan. 1, 1882	346,681,016	59,926	15,451,861	362,421,988	724,614,785	100 00	100 00
Nov. 1, 1882	346,681,016	59,360	15,402,120	362,727,747	724,870,263	100 00	100 00

The act of June 20, 1874, provided that any national banking association might withdraw its circulating notes upon the deposit of lawful money with the Treasurer of the United States in sums of not less than \$9,000. Since the passage of this act, \$154,424,641 of lawful money have been deposited with the Treasurer by the national banks for the purpose of reducing their circulation, and \$120,156,646 of bank notes have been redeemed, destroyed, and retired.

In the following table is shown, by States, the amount of circulation issued and retired during the year ending November 1, 1882, and the total amount issued and retired since June 20, 1874.

States and Territories.	Circulation issued.	Circulation retired.		Total.
		Act of June 20, 1874.	Liquidating banks.	
Maine.....	\$253,400	\$63,070	\$41,571	\$104,641
New Hampshire.....	540,000	.....	39,858	39,858
Vermont.....	251,110	334,742	661,882	401,624
Massachusetts.....	1,606,250	2,352,033	123,229	2,475,263
Rhode Island.....	443,120	773,659	2,638	776,297
Connecticut.....	755,380	1,071,921	55,220	1,127,141
New York.....	2,792,820	3,711,140	346,618	4,057,758
New Jersey.....	269,250	594,128	257,168	851,296
Pennsylvania.....	2,373,680	2,617,877	226,740	2,844,617
Delaware.....	45,000	20,450	.....	20,450
Maryland.....	235,750	55,060	4,443	59,503
District of Columbia.....	.....	19,245	15,308	34,553
Virginia.....	171,200	67,125	44,280	111,405
West Virginia.....	45,000	53,790	14,901	68,691
North Carolina.....	.....	125,216	20,855	146,071
South Carolina.....	9,000	91,643	.....	91,643
Georgia.....	85,500	57,406	26,019	83,425
Florida.....	.....	.....	.....	.....
Alabama.....	2,900	74,895	13,176	88,071
Mississippi.....	67,500	.....	120	120
Louisiana.....	87,100	23,160	11,540	34,709
Texas.....	259,590	27,696	10,728	38,424
Arkansas.....	38,240	18,818	459	19,277
Kentucky.....	657,090	285,630	41,800	327,430
Tennessee.....	288,000	17,503	39,792	57,295
Missouri.....	280,710	216,607	121,731	338,338
Ohio.....	4,276,670	902,354	434,320	1,336,674
Indiana.....	902,090	878,361	362,614	1,240,375
Illinois.....	1,048,050	511,402	192,528	703,930
Michigan.....	1,061,080	440,118	129,119	569,237
Wisconsin.....	423,000	140,236	88,495	228,733
Iowa.....	979,140	100,320	148,357	248,677
Minnesota.....	202,500	138,979	107,558	246,537
Kansas.....	240,310	69,540	56,334	125,874
Nebraska.....	620,970	99,305	2,010	101,315
Nevada.....	.....	.....	165	165
Oregon.....	45,000	.....	.....	.....
Colorado.....	168,600	.....	19,950	19,950
Utah.....	99,000	.....	3,860	3,860
Idaho.....	.....	.....	.....	.....
Montana.....	149,000	26,066	20,585	55,651
Wyoming.....	45,000	.....	.....	.....
New Mexico.....	54,000	.....	.....	.....
Dakota.....	243,000	750	.....	750
Washington.....	108,600	42,335	.....	42,335
California.....	32,100	.....	.....	.....
Arizona.....	30,000	.....	.....	.....
Total.....	22,464,250	16,022,501	3,099,380	19,121,971
Surrendered to this office and retired.....	.....	.....	.....	753,958
Total.....	22,464,250	16,022,501	3,099,380	19,875,929
From June 20, 1874, to October 31, 1881.....	122,747,945	84,438,394	17,596,080	101,034,674
Surrendered to this office between same dates.....	.....	.....	.....	12,286,755
Grand total.....	145,192,195	99,461,185	20,695,460	122,116,438

The amount of circulation issued to national banks for the year ending November 1, 1882, was \$22,464,250, including \$6,500,680 issued to banks organized during the year. The amount retired during the year

was \$19,937,630, and the actual increase for the same period was therefore \$2,526,620, making the total on November 1, \$361,949,358.

During the year ending November 1, 1882, lawful money to the amount of \$26,501,045 was deposited with the Treasurer to retire circulation, of which amount \$7,895,754 was deposited by banks in liquidation.

The amount previously deposited under the act of June 20, 1874, was \$107,978,052; by banks in liquidation \$19,945,544, to which is to be added a balance of \$3,813,675 remaining from deposits made by liquidating banks prior to the passage of that act. Deducting from the total the amount of circulating notes redeemed and destroyed without re-issue (\$120,156,646), there remained in the hands of the Treasurer, on November 1, 1882, \$38,081,670 of lawful money for the redemption and retirement of bank circulation.

NATIONAL BANK AND LEGAL-TENDER NOTES BY DENOMINATIONS.

CIRCULATING NOTES OF THE BANK OF FRANCE AND IMPERIAL BANK OF GERMANY, BY DENOMINATIONS.

In accordance with law, no national-bank notes of a less denomination than five dollars have been issued since January 1, 1879, when the amount outstanding was \$7,718,747. Since that date the amount of ones and twos issued by the banks has been reduced \$6,778,189, and during the same period the legal-tender notes of these denominations have been increased \$12,435,707.

During the last year the amount of national-bank notes of these denominations has decreased nearly one-half, to 940,558, the amount of the decrease being \$910,724. The total increase of the amount of ones and twos outstanding, in national-bank and legal-tender notes, is \$5,657,518.

The following table shows, by denominations, the amount of national-bank and legal-tender notes outstanding on October 31, 1882, and the aggregate amounts of both kinds of notes at the same period in 1880 and 1881:

Denominations.	1882.			1881.	1880.
	National-bank notes.	Legal-tender notes.	Aggregate.	Aggregate.	Aggregate.
Ones	\$813, 800	\$27, 255, 144	\$28, 068, 944	\$25, 793, 171	\$24, 247, 362
Twos	126, 758	25, 473, 197	25, 599, 955	24, 254, 366	23, 036, 578
Fives	96, 920, 955	68, 344, 110	165, 265, 065	168, 380, 062	167, 042, 893
Tens	122, 713, 260	72, 012, 211	194, 725, 471	196, 717, 671	189, 655, 588
Twenties	84, 001, 540	66, 716, 419	150, 717, 959	151, 922, 503	147, 719, 837
Fifties	23, 657, 100	24, 145, 545	47, 802, 645	46, 441, 775	45, 777, 475
One hundreds	31, 598, 800	34, 237, 890	65, 836, 690	63, 190, 370	59, 958, 600
Five hundreds	953, 500	14, 671, 000	15, 624, 500	14, 949, 500	16, 769, 500
One thousands	197, 000	12, 200, 500	12, 397, 500	12, 266, 500	14, 640, 500
Five thousands		2, 395, 000	2, 395, 000	2, 430, 000	565, 000
Ten thousands		230, 000	230, 000	260, 000	320, 000
Add for unredeemed fragments of national-bank notes	+18, 233		+18, 233	+16, 586	+15, 129
Deduct for legal-tender notes destroyed in Chicago fire		-1, 000, 000	-1, 000, 000	-1, 000, 000	-1, 000, 000
Total	361, 000, 946	346, 681, 016	707, 681, 962	705, 622, 504	688, 744, 467

The amount of one and two dollar notes outstanding is but one-fourth of one per cent. of the whole circulation of the banks; the fives constitute 26.9 per cent., the tens 34 per cent., the twenties 23.3 per cent.,

while the fifties and larger notes are only 15.6 per cent. of the entire circulation. While the amount of ones and twos of the national-bank circulation is steadily diminishing, the legal-tender notes of these denominations are as steadily increasing.

Of the entire amount of national-bank and legal-tender notes outstanding, about 7.5 per cent. consists of one and two dollar notes; more than 30.8 per cent. of ones, twos, and fives; more than 58.3 per cent. is in notes of a less denomination than twenty dollars, while about 79.6 per cent. is in notes of a lower denomination than fifty dollars. Of the entire issue about twenty per cent. is in denominations of fifties, one hundreds, five hundreds, and one thousands. There are also outstanding 479 legal-tender notes of the denomination of five thousand, and 23 notes of the denomination of ten thousand.

The following table* exhibits by denominations the circulation of the Imperial Bank of Germany on January 1, 1882, in thalers and marks, which are here converted into our currency:

Thalers.				Marks.			
Number of pieces.	Denominations.	Value of each piece in dollars.	Amount in dollars (Thaler=75 cents.)	Number of pieces.	Denominations.	Value of each piece in dollars.	Amount in dollars. (Mark=25 cents.)
81	500 thalers.	375 00	30, 375	267, 583	1, 000 marks.	250	66, 897, 000
2, 195	100 thalers.	75 00	164, 625	195, 642	500 marks.	125	24, 455, 250
1, 682½	50 thalers.	37 50	63, 094	4, 920, 300	100 marks.	25	123, 007, 500
8, 621	25 thalers.	18 75	161, 644				
8, 932½	10 thalers.	7 50	66, 993				
21, 512			486, 731	5, 383, 530			214, 359, 750

The circulation of the Imperial Bank of Germany on January 1, 1881, was \$201,036,187, showing an increase during the following year of \$13,323,563; on January 1, 1879, the circulation was \$165,933,942, showing an increase during the three years preceding January 1, 1882, of \$48,425,808.

The following table† gives the circulation of the Bank of France and its branches, with the number of pieces, and the denominations in francs and in dollars, on January 26, 1882:

Number of pieces.	Denominations.	Value of each piece in dollars.	Amount in francs.	Amount in dollars. (Franc=20 cents.)
5	5, 000 francs.	1, 000	25, 000	5, 000
1, 305, 028	1, 000 francs.	200	1, 305, 028, 000	273, 005, 600
688, 400	500 francs.	100	344, 200, 000	68, 840, 000
2, 823	200 francs.	40	564, 600	113, 920
9, 626, 652	100 francs.	20	962, 665, 200	192, 533, 040
3, 464, 329	50 francs.	10	173, 216, 450	34, 643, 290
24, 110	25 francs.	5	602, 750	120, 550
233, 845	20 francs.	4	4, 676, 900	935, 380
182, 700	5 francs.	1	913, 500	182, 700
1, 217	Forms out of date.		424, 250	84, 855
15, 589, 109			2, 852, 316, 075	570, 463, 335

The amount of circulation of the Bank of France on January 27, 1881, was 2,524,081,780 francs, or say \$504,816,356, showing an increase be-

* London Banker's Magazine, August, 1882, p. 623.

† *Ibid.*, September, p. 742.

tween that time and January 26, 1882, the date of the foregoing table, of 328,234,895 francs, or \$65,646,979, and since January 30, 1879, an increase of 561,345,845 francs, or \$112,269,169.

It will be seen that the Imperial Bank of Germany has in circulation no notes of a less denomination than seven dollars and a half (ten thalers), and issues none of less than twenty-five dollars (one hundred marks); and that the Bank of France issues but little over a million and a quarter of a less denomination than ten dollars. The Bank of England issues no notes of less than £5, or twenty-five dollars, and the Irish and Scotch banks none of less than £1, or five dollars.

REDEMPTION.

Since the passage of the act of June 20, 1874, section 3 of which requires the banks at all times to keep on deposit in the Treasury 5 per centum of their circulation as a redemption fund, that fund as a rule has been maintained, and circulating notes of the banks have been promptly redeemed at the Treasury, without expense to the government.

The following table exhibits the amount of national-bank notes received for redemption monthly by the Comptroller of the Currency for the year ending October 31, 1882, and the amount received for the same period at the redemption agency of the Treasury, together with the total amount received since the passage of the act of June 20, 1874:

Months.	Received by the Comptroller.					Received at redemption agency.
	From national banks for re-issue or surrender.	From redemption agency for reissue.	Notes of national banks in liquidation.	Under act of June 20, 1874.	Total.	
1881.						
November	\$20,000	\$3,572,200	\$201,000	\$1,089,555	\$4,882,846	\$5,034,073
December	31,500	3,949,600	55,433	754,086	4,790,649	6,484,104
1882.						
January	18,010	5,003,100	228,603	1,442,970	6,692,683	8,185,651
February	84,500	5,187,200	253,533	1,272,610	6,797,803	6,345,210
March	84,610	5,567,500	222,584	1,498,148	7,372,842	6,671,918
April	58,400	4,747,800	169,751	1,045,863	6,021,814	7,248,503
May	227,450	5,862,700	265,364	1,807,888	8,163,402	9,042,641
June	44,620	7,138,200	486,820	2,065,193	9,734,833	8,980,367
July	93,350	3,967,900	280,685	985,762	5,327,697	7,363,382
August	95,020	4,100,400	351,358	1,401,440	5,948,218	6,296,071
September	24,500	3,346,200	148,658	1,181,773	4,701,131	5,640,717
October	100,650	5,549,400	210,745	1,575,185	7,435,980	6,858,152
Total	882,610	57,992,200	2,874,675	16,120,473	77,869,958	84,150,789
Received from June 20, 1874, to October 31, 1881.	13,074,089	429,748,255	17,695,793	83,605,213	544,123,350	1,100,523,269
Grand total..	13,956,699	487,740,455	20,570,468	99,725,686	621,993,308	1,184,674,058

From the passage of the act of June 20, 1874, to November 1, 1882, there was received at the redemption agency of the Treasury \$1,184,674,058 of national-bank currency for redemption. During the year there was received \$84,150,789, of which amount \$30,577,000, or about 30.3 per cent., was received from banks in the city of New York, and \$8,766,000, or about 10.4 per cent., from banks in the city of Boston. The amount received from Philadelphia was \$6,412,000; from Chicago, \$4,465,000; Providence, \$1,532,000; Baltimore, \$1,102,000; Cincinnati, \$1,430,000; Saint Louis, \$1,201,000; Pittsburgh, \$929,000. The amount of notes fit for circulation returned by the redemption agency to the

banks of issue during the year was \$4,017,100. The decrease in this class of notes has been very marked in the past five years, the amount for the year ending October 31, 1878, having been \$151,683,200, or 75.4 per cent. of the whole amount received, and for the year only 4.7 per cent.

The total amount received by the Comptroller of the Currency for destruction from the agency and from national banks direct was \$74,995,283. Of this amount \$5,820,140 were the issues of banks in the city of New York, \$7,287,443 of Boston, \$3,104,471 of Philadelphia, \$2,359,692 of Providence, \$1,170,578 of Baltimore, \$1,475,062 of Pittsburgh, \$598,100 of Cincinnati, \$580,274 of Louisville, \$264,530 of Chicago, \$159,406 of Saint Louis, \$404,969 of New Orleans, and of each of the other principal cities less than \$400,000.

The following table exhibits the number and amount of national-bank notes, of each denomination, which have been issued and redeemed since the organization of the system, and the number and amount outstanding on November 1, 1882:

Denominations.	Number.			Amount.		
	Issued.	Redeemed.	Outstand- ing.	Issued.	Redeemed.	Outstand- ing.
Ones	23, 167, 677	22, 353, 877	813, 800	\$23, 167, 677	\$22, 353, 877	\$813, 800
Twos	7, 747, 519	7, 684, 140	63, 379	15, 495, 058	15, 368, 280	126, 778
Fives	78, 697, 424	59, 313, 223	19, 384, 191	393, 487, 120	296, 566, 165	96, 920, 955
Tens	32, 042, 260	19, 770, 934	12, 271, 326	320, 422, 600	197, 700, 300	122, 722, 300
Twenties	9, 751, 784	5, 551, 707	4, 200, 077	195, 035, 680	111, 034, 140	84, 001, 540
Fifties	1, 453, 324	980, 182	473, 142	72, 666, 200	49, 009, 100	23, 657, 100
One hundreds	1, 035, 118	719, 130	315, 988	103, 511, 800	71, 913, 000	31, 598, 800
Five hundreds	22, 787	20, 880	1, 907	11, 393, 500	10, 440, 000	993, 500
One thousands	7, 187	6, 990	197	7, 187, 000	6, 990, 000	197, 000
Portions of notes lost or destroyed					-18, 233	+18, 233
Total	153, 925, 080	116, 401, 073	37, 524, 007	1, 142, 366, 615	781, 365, 668	361, 000, 947

A table showing the number and denomination of national-bank notes issued and redeemed, and the number of each denomination outstanding on October 31 for the last fourteen years will be found in the Appendix.

The following table shows the amount of national-bank notes received at this office and destroyed yearly since the establishment of the system:

Prior to November 1, 1865	\$175, 490
During the year ending October 31, 1866	1, 050, 382
During the year ending October 31, 1867	3, 401, 423
During the year ending October 31, 1868	4, 602, 825
During the year ending October 31, 1869	8, 603, 729
During the year ending October 31, 1870	11, 305, 689
During the year ending October 31, 1871	24, 344, 047
During the year ending October 31, 1872	30, 211, 720
During the year ending October 31, 1873	36, 433, 171
During the year ending October 31, 1874	49, 939, 741
During the year ending October 31, 1875	137, 607, 696
During the year ending October 31, 1876	98, 672, 716
During the year ending October 31, 1877	76, 918, 953
During the year ending October 31, 1878	57, 381, 249
During the year ending October 31, 1879	41, 101, 830
During the year ending October 31, 1880	35, 539, 630
During the year ending October 31, 1881	54, 941, 130
During the year ending October 31, 1882	74, 917, 611
Additional amount of notes of national banks in liquidation	31, 126, 536

Total

781, 425, 668

RESERVE.

The following table exhibits the amount of net deposits, and the reserve required thereon by the act of June 20, 1874, together with the amount and classification of reserve held by the national banks in New York City, in the other reserve cities, and by the remaining banks, at the dates of their reports in October of each year from 1875 to 1882:

NEW YORK CITY.

	Num- ber of banks.	Net de- posits.	Reserve required.	Reserve held.		Classification of reserve.			
				Amount.	Ratio to deposits.	Specie.	Other law- ful money.	Due from agents.	Redemp- tion fund.
		<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Per cent.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>
October 1, 1875.	48	202.3	50.6	60.5	29.9	5.0	54.4	.....	1.1
October 2, 1876.	47	197.9	49.5	60.7	30.7	14.6	45.3	.....	0.8
October 1, 1877.	47	174.9	43.7	48.1	27.5	13.0	34.3	.....	0.8
October 1, 1878.	47	189.8	47.4	50.9	26.8	13.3	36.5	.....	1.1
October 2, 1879.	47	210.2	52.6	53.1	25.3	19.4	32.6	.....	1.1
October 1, 1880.	47	268.1	67.0	70.6	26.4	58.7	11.0	.....	0.9
October 1, 1881.	48	268.8	67.2	62.5	23.3	50.6	10.9	.....	1.0
October 3, 1882.	50	254.0	63.5	64.4	25.4	44.5	18.9	.....	1.0

OTHER RESERVE CITIES.

October 1, 1875.	188	223.9	56.0	74.5	33.3	1.5	37.1	32.3	3.6
October 2, 1876.	189	217.0	54.2	76.1	35.1	4.0	37.1	32.0	3.0
October 1, 1877.	188	204.1	51.0	67.3	33.0	5.6	34.3	24.4	3.0
October 1, 1878.	184	199.9	50.0	71.1	35.6	9.4	29.4	29.1	3.2
October 2, 1879.	181	228.8	57.2	83.5	36.5	11.3	33.0	35.7	3.5
October 1, 1880.	184	289.4	72.4	105.2	36.3	28.3	25.0	48.2	3.7
October 1, 1881.	189	335.4	83.9	100.8	30.0	34.6	21.9	40.6	3.7
October 3, 1882.	193	318.8	79.7	89.1	28.0	28.3	24.1	33.2	3.5

STATES AND TERRITORIES.

October 1, 1875.	1,851	307.9	46.3	100.1	32.5	1.6	33.7	53.3	11.5
October 2, 1876.	1,853	201.7	43.8	99.9	34.3	2.7	31.0	55.4	10.8
October 1, 1877.	1,845	290.1	43.6	95.4	32.9	4.2	31.6	48.9	10.7
October 1, 1878.	1,822	289.1	43.4	106.1	36.7	8.0	31.1	56.0	11.0
October 2, 1879.	1,820	329.9	49.5	124.3	37.7	11.5	30.3	71.3	11.2
October 1, 1880.	1,859	410.5	61.6	147.2	35.8	21.2	28.3	86.4	11.3
October 1, 1881.	1,895	507.2	76.1	158.3	31.2	27.5	27.1	92.4	11.4
October 3, 1882.	2,026	545.8	81.9	150.4	27.5	30.0	30.0	80.1	11.3

SUMMARY.

October 1, 1875.	2,087	734.1	152.2	235.1	32.0	8.1	125.2	85.6	16.2
October 2, 1876.	2,089	706.6	147.5	236.7	33.5	21.3	113.4	87.4	14.6
October 1, 1877.	2,080	669.1	138.3	210.8	31.5	22.8	100.2	78.3	14.5
October 1, 1878.	2,053	678.8	140.8	228.1	33.6	30.7	97.0	85.1	15.3
October 2, 1879.	2,048	768.9	159.3	260.9	33.9	42.2	95.9	107.0	15.8
October 1, 1880.	2,090	968.0	201.0	323.0	33.4	108.2	64.3	134.6	15.9
October 1, 1881.	2,132	1,111.6	227.2	321.6	28.9	112.7	59.9	133.0	16.1
October 3, 1882.	2,269	1,118.6	225.1	303.9	27.2	102.8	72.0	113.3	15.8

The following table, compiled from returns made to the clearing-house by the national banks in New York City, exhibits the movement of their reserve, weekly, during October, for the last seven years:

Week ending—	Specie.	Legal tend- ers.	Total.	Ratio of reserve to—	
				Circula- tion and deposits.	Deposits.
				<i>Per cent.</i>	<i>Per cent.</i>
October 7, 1876.....	17,682,600	45,535,600	63,218,200	30.5	32.4
October 14, 1876.....	16,233,600	43,004,600	59,238,200	28.8	31.1
October 21, 1876.....	15,577,500	41,421,700	56,999,200	27.8	30.0
October 28, 1876.....	14,011,600	41,645,600	55,657,200	28.0	30.3
October 6, 1877.....	14,665,600	36,168,300	50,833,900	27.0	29.5
October 13, 1877.....	14,726,500	35,178,900	49,905,400	26.7	29.2
October 20, 1877.....	14,087,400	35,101,700	49,189,100	26.5	29.0
October 27, 1877.....	15,209,000	34,367,800	49,576,800	26.8	29.4
October 5, 1878.....	14,995,800	38,304,900	53,300,700	25.7	28.4
October 12, 1878.....	12,184,600	37,685,100	49,869,700	24.4	27.0
October 19, 1878.....	13,531,400	36,576,000	50,107,400	24.7	27.3
October 26, 1878.....	17,384,200	35,690,500	53,074,700	25.8	28.5
October 4, 1879.....	18,979,600	34,368,000	53,347,600	23.3	25.8
October 11, 1879.....	20,901,800	32,820,300	53,722,100	23.4	25.9
October 18, 1879.....	24,686,500	29,305,200	53,991,700	23.5	26.1
October 25, 1879.....	25,636,000	26,713,900	52,349,900	23.0	25.5
October 2, 1880.....	59,823,700	11,129,100	70,952,800	25.4	26.4
October 9, 1880.....	62,521,300	10,785,000	73,306,300	25.4	27.2
October 16, 1880.....	62,760,600	10,939,200	73,699,800	25.5	27.1
October 23, 1880.....	60,888,200	10,988,200	71,876,400	24.9	26.6
October 30, 1880.....	61,471,600	10,925,000	72,396,600	25.0	26.7
October 1, 1881.....	54,954,600	12,150,400	67,105,000	23.1	24.8
October 8, 1881.....	53,287,900	12,153,800	65,441,700	23.1	24.9
October 15, 1881.....	51,008,300	12,452,700	63,461,000	23.2	25.0
October 22, 1881.....	54,016,200	12,496,500	66,512,700	24.6	26.6
October 29, 1881.....	55,961,200	12,947,900	68,909,100	25.6	27.4
October 7, 1882.....	47,016,000	18,384,500	65,400,500	24.0	26.3
October 4, 1882.....	48,281,000	18,002,700	66,283,700	24.7	26.6
October 21, 1882.....	49,518,200	17,023,900	66,542,100	25.0	26.8
October 28, 1882.....	48,374,200	17,204,700	65,578,900	24.8	26.5

APPENDIX.

Tables will be found in the appendix, exhibiting the reserve of the national banks as shown by their reports, from October 2, 1874, to October 3, 1882; the reserve by States and principal cities for October 3, 1882; and in the States and Territories, in New York City, and in the other reserve cities, separately, at three dates in each year, from 1878 to 1882.

Special attention is called to the synopsis of judicial decisions, to the numerous and carefully prepared tables in both report and appendix, and to the index of subjects and list of tables to be found at the close of the appendix. At the end of the full volume of more than seven hundred pages, which contains separate statements of 2,269 national banks as returned by them for October 3, is an alphabetical list of the cities and villages in which the national banks are situated.

In concluding this report the Comptroller gratefully acknowledges the efficiency of the officers and clerks associated with him in the discharge of official duties.

JOHN JAY KNOX,
Comptroller of the Currency.

Hon. JOSEPH W. KEIFER,
Speaker of the House of Representatives.

REPORT OF THE DIRECTOR OF THE MINT.

TREASURY DEPARTMENT,
BUREAU OF THE MINT,
October 12, 1882.

SIR: I have the honor to submit my fourth, the tenth annual report of the Director of the Mint since the organization of this Bureau, showing the operations of the mints and assay offices of the United States during the fiscal year ended June 30, 1882.

The receipts of foreign coin and bullion declined, and at the close of the year had almost entirely ceased, yet a large amount of bullion was deposited for parting and refining, and the mints were fully occupied in coining the silver purchased for that purpose, and the large amount of gold previously received from foreign countries as well as that produced during the year by the mines of the United States.

The import of gold continued to exceed its export during the first half of the fiscal year, at the close of which the excess amounted to \$30,100,230. In the latter part of the year the movement was reversed and the excess of the exports over the gold imports was \$28,311,047, reducing the net gain during the whole of the fiscal year to \$1,789,183.

DEPOSITS AND PURCHASES.

The deposits of bullion and coin, exclusive of redeposits, were, of gold, \$66,756,652.95, and of silver, including purchases, \$33,720,491.42, making a total of \$100,477,144.37; of which \$57,993,086.03 of gold and \$1,787,385.67 of silver were again deposited, making the total amount received and operated upon during the year at all the mints and assay offices \$124,749,738.98 of gold and \$35,507,877.09 of silver, a total of \$160,257,616.07.

The deposits of domestic production were, gold, \$31,298,511.97, and silver, \$30,956,588.18, a total of \$62,255,100.15; of foreign coin and bullion, gold, \$33,088,617.82, and of silver, \$2,287,463.17; of United States coin, gold, \$599,356.80, of silver, \$127,572.40, a total of \$726,929.20, and of jewelry, plate, &c., gold, \$1,770,166.36; silver, \$348,867.67.

COINAGE.

The gold coinage of the mints during both the fiscal and calendar year was greater than that of any previous year in their history; being for the latter nearly eleven millions greater than the gold coinage of the fiscal year 1881, and nearly twenty-seven millions in excess of the heavy coinage in 1851 of \$62,614,492.50.

At the commencement of the fiscal year the coinage mints and New York assay office held of uncoined gold bullion \$86,548,696.96, and at the close of the year there remained \$53,700,225.57, the amount on hand having been reduced \$32,848,471.39. With this and \$66,756,652.95 gold deposited during the year there were coined 11,266,003 pieces of gold of the value of \$89,413,447.50, the balance having been paid to depositors

in fine bars and accounted for in the wastage of the operative officers and the loss on sale of sweeps. About five-sixths (\$65,000,000) of the total gold coinage was in eagles and half eagles. The coinage of double eagles being \$14,563,920; of eagles, \$44,369,410, and of half eagles, \$30,473,955.

The gold coinage of the Philadelphia Mint was nearly all in eagles and half eagles, the value of the former being \$36,700,050 and of the latter \$22,971,725.

At the San Francisco Mint little over half of the coinage was in eagles and half eagles, the denominations coined being, double eagles, \$14,200,000; eagles, \$7,400,000; half eagles, \$7,250,000. Coinage at the San Francisco Mint of a portion of the bullion belonging to the United States into denominations of \$20 has been permitted because of the greater demand for large coins on the Pacific coast, where the large exchanges and settlements are generally effected by the actual use of gold, and less paper is employed for the purpose than in other portions of the country.

The silver coinage amounted to \$27,783,388.75, of which \$27,772,075 were silver dollars and \$11,313.75 were proof silver coins of other denominations.

The total number of pieces struck during the year, and their value, were as follows:

	Pieces.	Value.
Gold.....	11,266,003	\$89,413,447 50
Silver.....	27,821,300	27,783,388 75
Minor.....	46,865,725	644,757 75
Total.....	85,953,028	117,841,594 00

The coinage of gold, silver, and minor coins executed during the calendar year 1881 compares with the fiscal year 1881-'82 as follows:

	Calendar year 1881.	Fiscal year 1882.
Gold.....	\$96,850,890 00	\$89,413,447 50
Silver.....	27,939,203 75	27,783,388 75
Total.....	124,790,093 75	117,196,836 25
Minor.....	428,151 75	644,757 75
Total coinage.....	125,218,245 50	117,841,594 00

The stock of 5-cent nickel coins in the Treasury having become depleted, and there being a demand for such coin, the Secretary of the Treasury, on the 12th day of November, 1881, directed that the coinage of 5-cent nickels be resumed, and that the copper and nickel cents issued under acts in force prior to the passage of the Coinage Act of 1873, held in the custody of the superintendent of the mint at Philadelphia for the Treasurer of the United States, should be recoined into 5-cent nickel pieces, of which 4,400,775 pieces, of a value of \$220,038.75, were struck during the year. This recoinage has occasioned no loss, but on the contrary has resulted in a large profit.

BARS.

Gold bars were manufactured during the year to the value of \$37,505,120.04. At the New York Assay Office, fine bars of the value of \$12,147,674.90 were prepared for depositors, and bars of standard fineness of the value of \$23,739,978.18 were made for shipment to the Philadelphia Mint for coinage. Fine silver bars of the value of \$7,769,898.15 were manufactured for depositors, principally at the New York Assay Office.

The total value of fine, standard, and unparted silver bars manufactured at all the mints and assay offices was \$8,129,202.94, and the total value of both gold and silver bars \$45,634,322.98.

BARS EXCHANGED FOR COIN.

The act, approved on the 26th of May last, authorizing the receipt of United States gold coin in exchange for gold bars has been found, as was anticipated, advantageous to the government. Under its provisions, during the month of June, gold bullion to the value of \$2,697,166.15, in the form of fine bars suitable for export, was exchanged at the New York Assay Office for gold coin, saving to the government the expense of its coinage, as well as of transporting it to Philadelphia and of the resulting coin back to New York. During the months of July, August, and September there was a further exchange of gold bullion for coin to the amount of \$3,890,833.91, a total of \$6,588,000.06 since the passage of the law and up to October 1.

PARTING AND REFINING.

The deposits of bullion for parting and refining were about one million of gross ounces more than in the previous year, resulting chiefly from increased receipts for that purpose at the New York Assay Office.

The following table shows the gross ounces of bullion sent to the acid refineries of the coinage mints and the New York Assay Office, and the ounces of standard gold and silver received:

OUNCES.

Mint or assay office.	Gross.	Standard gold.	Standard silver.
Philadelphia	362,846.46	101,008.620	246,343.69
San Francisco	6,322,638.28	483,677.714	5,680,334.17
Carson	621,555.00	45,462.630	626,378.16
New Orleans	8,536.38	5,905.202	1,425.57
New York	5,139,768.00	563,926.000	4,424,682.00
Total	12,455,344.12	1,199,980.166	10,979,163.59

VALUE.

Mint or assay office.	Gold.	Silver.	Total.
Philadelphia	\$1,879,230 14	\$286,654 47	\$2,165,884 61
San Francisco	8,998,655 14	6,609,843 39	15,608,498 53
Carson	845,816 37	728,876 40	1,574,692 77
New Orleans	109,864 13	1,638 84	111,522 97
New York	10,491,646 51	5,148,720 84	15,640,367 35
Total	22,325,212 29	12,775,753 94	35,100,966 23

DIES AND MEDALS.

Of the dies executed at the Philadelphia Mint, 410 were prepared to be used in striking gold coins, 260 for silver, 567 for minor and 30 for proof coins, and 28 for the striking of medals; a total of 1,295.

Medals were made and sold to the number of, in fine gold, 876; silver, 4,522; bronze, 803; a total of 6,201; and proof-sets, of gold, 34; silver, 1,112.

SILVER PURCHASES.

The silver bullion purchased for coinage, on hand in the coinage mints at the commencement of the fiscal year, amounted to 3,145,014.83 ounces, costing \$3,191,092.25.

There were purchased during the year, including partings and bullion received in payment of charges, 23,465,452.39 ounces, costing \$23,975,165.22. Of this amount 23,875,720.37 ounces of standard silver bullion, costing \$24,342,501.60, were used in coining standard silver dollars and subsidiary proof coins, and 31,524.25 ounces were wasted and sold in sweeps, costing \$31,992.83, leaving of purchased silver at the close of the year 2,703,222.60 ounces of standard fineness, costing \$2,791,763.04.

The average monthly coinage was 1,988,885.50 ounces of standard fineness, at an average cost of \$2,027,777.04.

In addition to the purchases at the mints, 161,776.98 standard ounces were obtained at the New York Assay Office, at \$1 per standard ounce, in payment of charges, making the total receipts of silver by purchase during the year as follows:

SILVER BULLION PURCHASES, 1882.

Mint or assay office at which delivered.	Purchases.		Partings and received for charges.		Total purchased.	
	Standard ounces.	Cost.	Standard ounces.	Cost.	Standard ounces.	Cost.
Philadelphia.....	9,236,104.10	\$9,453,878.82	32,818.68	\$32,804.33	9,268,922.84	\$9,486,683.15
San Francisco.....	8,722,938.89	8,889,764.83	92,863.37	92,966.37	8,815,802.26	8,982,728.20
New Orleans.....	4,516,965.97	4,626,194.29	1,391.47	1,391.47	4,518,356.84	4,627,585.76
Carson City.....	859,709.12	875,606.78	2,561.33	2,561.33	862,270.45	878,168.11
New York.....			161,776.98	161,776.98	161,776.98	161,776.98
Total.....	23,335,717.54	23,845,444.72	291,511.83	291,497.48	23,627,229.37	24,136,942.20

In the weekly purchases it has been the purpose to obtain not less than \$2,000,000 worth of silver bullion for each month.

Where this has not been the case, it was either on account of the failure of sellers of silver to deliver their bullion promptly during the month in which it was purchased, or from the fact that sufficient silver was not offered at rates not exceeding the market price. The table of purchases during the year shows, however, a monthly delivery and coinage averaging over \$2,000,000 worth of silver bullion, and a compliance with the provisions of the law as far as practicable.

The average price paid during the year for silver bullion was \$1.02.15 per ounce standard. The average London quotation for silver bullion of British standard was 51½ pence per ounce, equivalent at the par of exchange to \$1.13.623 per ounce fine, or \$1.02.26 per ounce standard. The New York selling price of silver during the year was \$1.13.799 per ounce fine, or \$1.02.419 per ounce standard. No offers of silver were

accepted or purchases made at rates in excess of the equivalent of the London price on the date of purchase.

The difficulties heretofore experienced in supplying the New Orleans Mint with silver at market rates have been overcome, and purchases of silver bullion are now made for delivery at that mint at rates little, if any, in excess of the price paid for delivery at the Philadelphia Mint. It was therefore deemed expedient to keep the New Orleans Mint well supplied with silver bullion and employed in the coinage of silver dollars. This enabled the Philadelphia Mint to meet the requirements of the Treasury and of the public for gold and minor coins, and relieved it from the necessity of increasing its silver coinage when the high prices asked for silver bullion at San Francisco prevented the mint at that place from obtaining a supply.

The Secretary of the Treasury, on the 30th of January, 1882, authorized the superintendents of the coinage mints to purchase mutilated and uncurrent silver coin when delivered in sums of \$3 and upwards and to pay, without previous melt or assay, at the rate of \$1 per ounce of silver of standard fineness contained, the coins so purchased to be used in the coinage of the standard silver dollars. The mutilated and uncurrent silver coin presented in sums of \$3 and upward, from the 1st of February to June 30, 1882, have amounted, as nearly as can be ascertained, to about \$29,000.

The assayers in charge of the United States mint at Denver and of the assay offices at Helena, Charlotte, Boise, and Saint Louis were authorized, under date of February 7, 1882, to purchase the silver taken for assay of silver bullion deposited for unparted bars and to pay for the same in coin at the rate of \$1 per ounce of standard silver, and the bullion thus purchased to be transmitted by them, with other bullion, to the coinage mints, to be used in the coinage of the standard silver dollars.

The profits on the silver bullion coined during the year and credited to the silver profit fund amounted to \$3,440,887.15. Of this sum \$3,438,829.41 were profits on the coinage of standard silver dollars, and the remainder, \$2,057.74, were profits on the fractional silver coined.

Fractional silver coins of the nominal value of \$11,313.75 were struck at the Philadelphia Mint by the superintendent's orders, to enable him to supply numismatists and others desiring to keep up complete collections of the coinage.

Of the profits on the coinage of silver \$2,554,729.33 were deposited in the Treasury during the year, together with \$1,101,645.43 standing to the credit of that account at the commencement of the year; \$64,026.11 were paid for transportation, and \$15,055.99 for wastage and loss on sale of sweeps, leaving a balance to the credit of the silver profit fund in the mints, on June 30, 1882, of \$807,075.72, which sum has since been deposited in the Treasury.

DISTRIBUTION.

The following statement exhibits the balance on hand June 30, 1881, coinage and distribution of silver dollars at each mint, being compiled from statements made to this Bureau, from which it will be seen that the amount distributed during the year from the mints aggregates \$15,747.463 :

AMOUNT of SILVER DOLLARS REPORTED by the COINAGE MINTS on HAND June 30, 1881, COINED during the year and on HAND at the CLOSE of the FISCAL YEAR ended June 30, 1882.

Period.	Philadel- phia.	San Fran- cisco.	Carson.	New Or- leans.	Total.
On hand June 30, 1881	\$1,250,802	\$15,941,135	\$1,060,991	\$5,088,132	\$23,341,060
Coinage fiscal year 1882.....	11,051,075	11,000,000	763,000	4,368,000	27,772,075
Total.....	12,301,877	26,941,135	1,823,991	10,046,132	51,113,135
In mints June 30, 1882.....	4,248,069	25,114,407	1,260,991	4,742,295	35,365,672
Distributed	8,053,808	1,826,728	563,090	5,303,837	15,747,463

Of the \$27,772,075 coined during the year, \$12,025,783 had not at the close of the year been called for or moved from the mints, and of the total standard dollar coinage there were still in the mints \$35,365,672.

From the monthly statement of assets and liabilities the following table exhibits the coinage, movement and circulation, by periods of six months each, from July 1, 1882, to October 1, 1882:

COMPARATIVE STATEMENT of the COINAGE, MOVEMENT and CIRCULATION of STANDARD SILVER DOLLARS at the end of each six months from July 1, 1881, to July 1, 1882, and for the three months ending September 30, 1882.

Period.	Total coin- age.	In the Treasury.			In circulation.
		Held for payment of certificates out- standing.	For distribution.	Total.	
July 1, 1881.....	\$91,372,705	\$39,110,729	\$23,433,993	\$62,544,722	\$28,827,983
January 1, 1882.....	105,380,980	62,315,320	7,274,617	69,589,937	35,791,043
July 1, 1882.....	119,144,760	54,506,090	32,647,796	87,153,886	31,980,964
October 1, 1882.....	126,029,880	63,205,780	29,022,869	92,228,649	34,007,011

The amount of silver dollars put into circulation from the New Orleans Mint exceeded the coinage of the year at that mint about \$400,000, while at the Philadelphia Mint it was \$3,000,000 less, at the San Francisco Mint over \$9,000,000 less, and at the Carson Mint \$200,000 less than the yearly coinage of these mints respectively.

APPROPRIATIONS, EARNINGS, AND EXPENDITURES.

The total amount appropriated for the support of the mints and assay offices for the fiscal year ended June 30, 1882, was \$1,209,000, of which amount the sum of \$1,176,265.21 was expended. In addition thereto there was expended from the appropriation contained in the act authorizing the coinage of the standard silver dollar, passed February 28, 1878, the sum of \$137,559.61 on account of the mints, and \$2,173.37 at the Treasury Department, a total of \$139,732.98. Of this amount \$10,124.89 was paid for four automatic weighing machines, two of them to be used at Philadelphia and two at San Francisco.

The appropriations for the several mints and assay offices, and the amounts expended from them, are shown in the following table :

APPROPRIATIONS, 1882.

Institution.	Salaries.	Wages.	Contingent.	Coinage of the stand- ard silver dollar, act of February 28, 1878 (indefinite).	Total.
Philadelphia Mint	\$34,850 00	\$300,000 00	\$100,000 00	.....	\$434,850 00
San Francisco Mint	24,900 00	260,000 00	70,000 00	.....	354,900 00
Carson Mint	23,550 00	65,000 00	30,000 00	.....	118,550 00
New Orleans Mint	21,400 00	85,000 00	35,000 00	.....	141,400 00
Denver Mint	10,950 00	12,000 00	6,000 00	.....	28,950 00
New York Assay Office	33,150 00	25,000 00	9,000 00	.....	67,150 00
Helena Assay Office	5,950 00	12,000 00	10,000 00	.....	27,950 00
Boise Assay Office	3,000 00	.....	6,000 00	.....	9,000 00
Charlotte Assay Office	2,750 00	.....	2,000 00	.....	4,750 00
Saint Louis Assay Office	5,500 00	.....	*16,000 00	.....	21,500 00
Total	166,000 00	759,000 00	284,000 00	.....	1,209,000 00

EXPENDITURES, 1882.

Philadelphia Mint	\$33,424 72	\$299,999 27	\$99,999 38	\$121,619 30	\$555,042 67
San Francisco Mint	24,900 00	259,896 42	62,892 46	12,417 76	360,106 64
Carson Mint	23,550 00	64,237 00	28,474 85	.....	116,261 85
New Orleans Mint	19,974 14	84,994 95	34,637 30	3,522 55	143,128 94
Denver Mint	10,950 00	10,497 75	4,125 68	.....	25,573 43
New York Assay Office	33,073 59	24,830 25	8,988 32	.....	66,892 16
Helena Assay Office	5,950 00	9,744 79	6,756 77	.....	22,451 56
Boise Assay Office	3,000 00	.....	5,233 62	.....	8,233 62
Charlotte Assay Office	2,750 00	.....	1,503 30	.....	4,253 30
Saint Louis Assay Office	2,999 80	.....	18,880 85	.....	11,880 65
Total	160,572 25	754,200 43	261,492 53	137,559 61	1,313,824 82

* Includes \$10,000 for fixtures and apparatus.

† Includes \$6,896.11 for fixtures and apparatus.

In the appendix will be found a statement showing the total earnings and gains from all sources at the mints and assay offices during the year, and the total expenditures, wastages, and losses of all kinds. The gross earnings amounted to \$4,268,742.56, and the gross expenditures and losses to \$1,689,544.68.

A statement is also given showing the wastage of the precious metals at each of the mints during the year and the loss occasioned by the sale of bullion in sweeps.

The total value of the precious metals wasted during the year at the four coinage mints and the New York Assay Office was only \$36,658.93; while bullion of the value of \$16,685.28 was returned by the melter and refiner of the mint at San Francisco in excess of the amount with which he was charged, and by the melter and refiner at the New York Assay Office of the value of \$21,729.15, making a total gain of \$38,414.43, or a net excess over and above the entire amount of bullion wasted of the value of \$1,755.50; showing that on the large amount of gold and silver bullion operated upon at the mints of the United States and the New York Assay Office, there was an absolute gain of over seventeen hundred dollars.

The loss on the sale of sweeps is not, strictly speaking, a loss in the

ordinary operations of the mints, but represents the difference between the value of the gold and silver contained in sweepings, as determined by assay, and the price received for the sweeps, which are sold because the mints, with their inadequate facilities for working such material, cannot extract gold and silver of sufficient value, less expenses, to equal the sum which smelters will pay for them.

REFINERY EARNINGS AND EXPENDITURES.

The charges collected during the year for parting and refining bullion, which by law are appropriated for the payment of the expenses of those operations, amounted to \$278,882, of which the sum of \$264,609.56 was paid out for expenses.

The following statement shows the amounts collected and expended for parting and refining bullion, including that portion of the wastages of the operative officers and the loss on sweeps sold, properly payable from that fund:

Institution.	Charges collected.	Expenditures.
Philadelphia Mint.....	\$10,850 97	\$6,518 51
San Francisco Mint.....	158,200 21	154,864 62
Carson Mint.....	14,749 24	15,320 61
New Orleans Mint.....	176 10	252 26
New York Assay Office.....	94,905 48	87,653 56
Total	278,882 00	264,609 56

The net excess of the earnings of the refineries over the expenses from the first of July, 1876, to June 30, 1882, remaining in the Treasury of the United States, amounted on the first day of July last to \$153,311.80. This is a very satisfactory exhibit, especially in view of the fact that the rates charged for parting and refining at some of the mints had been reduced and were less than in previous years, and shows that the refineries have been more than self-supporting.

The charges for parting and refining collected during the year at each institution were sufficient to defray the expenditures of those operations, except at Carson and New Orleans. The slight deficiencies at those mints were occasioned in part by the payments of bills accruing in former years, and will not, it is believed, necessitate an increase in the rates of charges.

ANNUAL ASSAY.

The annual assay to test the weight and fineness of the coins struck at the mints during the calendar year 1881 was made at the Philadelphia Mint on the second Wednesday of February last, as required by law. Assays were made and the weights tested of the reserved coins from deliveries in each month throughout the year, and the results were reported by the committee on weighing "that all the coins weighed are within the limits of exactness required by law, and that, in fact, very few vary from the standard by one-half the tolerance"; and by the committee on assaying that they had taken the gold and silver coins reserved from the several mints "and have assayed the same in mass, and also the individual coins," and that—

The greatest deviation from the standard in the coinage examined is far within the limits allowed by law, and exhibits a remarkable degree of uniformity in mixture,

while there appears a very great perfection of workmanship. An analysis of the copper alloy present shows that it is substantially in accordance with the law and regulations.

Whereupon it was resolved by the commission—

That the assay commission having examined and tested the reserved coins of the several mints for the year 1881, and it appearing that these coins are within the tolerance prescribed by law, the trial is considered and reported as satisfactory.

ESTIMATION OF THE VALUES OF FOREIGN COINS.

The estimation of the Director of the Mint and the proclamation of the Secretary of the Treasury, on the 1st day of January, 1882, of the values of standard coins in circulation of the various nations of the world will be found in the appendix.

The valuation of foreign coins estimated in the circular of January 1, 1882, was based upon the average price of silver bullion for the last three months of 1881 to December 29.

The average price was 51.886 pence per ounce British standard, and the equivalent price 113.74 cents per fine ounce.

Upon this basis the following changes were made in the values of silver coins from those estimated by the circular of January 1, 1881: The Austrian florin, from 40.7 cents to 40.6 cents; the Japan yen, from 88.8 cents to 88.7 cents. The "gourde" of Hayti was estimated to be worth 96.5 cents.

EXAMINATIONS AND ANNUAL SETTLEMENTS.

An account was taken at each of the mints and at the New York Assay Office at the close of the fiscal year of the coin, bullion, and other moneys belonging to those institutions in the hands of the superintendent, and delivered to him by the operative officers.

The annual examinations of the operative officers were superintended by the Director or a representative of the Bureau, and were found satisfactory, the wastage in no case exceeding the legal limits.

The gold bullion operated upon in the melter and refiner's departments in the mints and New York Assay Office amounted to 14,618,071 standard ounces, on which the legal allowance for wastage was 14,618 standard ounces, and the actual wastage 835.27 standard ounces. Of silver bullion 54,540,070 ounces of standard fineness were operated upon, on which the legal limit of wastage was 81,810 ounces, and the actual wastage 7,996 ounces.

In the coiner's departments, 10,616,313 ounces of gold of standard fineness were operated upon, on which the legal limit of wastage was 5,308 ounces, and the actual wastage 470 ounces. Of silver bullion 47,293,782 ounces were operated upon, upon which the legal limit of wastage was 47,293 ounces, and the actual wastage 4,279 ounces.

The total wastage at all the institutions during the year was 1,305.27 ounces of gold, of the value of \$24,306.30, and 12,275 ounces of silver, of the value \$12,352.63.

Besides the annual settlements, special examinations were had at the San Francisco and New Orleans Mints to ascertain the facts in respect to charges affecting their management, and the result of the examinations, with the evidence, were submitted to the Secretary of the Treasury. A special settlement also was made at the close of the calendar year at the New York Assay Office, having been rendered necessary by reason of the resignation of the superintendent, Thomas C. Acton, and the appointment of Pierre C. Van Wyck as his successor.

REVIEW OF THE MINT SERVICE.

Besides the current office work of this Bureau in supervising the operations of the mints and assay offices, their contracts, purchases, and expenditures, in examining their monthly and quarterly accounts, and their daily, weekly, and monthly reports, their business transactions, coinage, &c., much time was given to the procuring and compiling of statistical information concerning the production of the precious metals in the United States and the preparation of a special report thereon.

At the laboratory of the Bureau 166 deliveries of gold coins and 168 silver coins were tested by assays of the coins forwarded from the mints for that purpose, and assays were made of ores received at this office from various portions of the country, the receipts for which, amounting to \$261, were deposited in the Treasury.

The business of the mints and assay offices has been conducted with fidelity and skill, and to the general satisfaction of the public. While less gold bullion was received and handled than in the preceding year, the work of the coinage mints and the New York Assay Office in parting, refining, and coining bullion was greater. The receipts of bullion from the public and deliveries to and from the operative officers involved transactions and accounts, accompanied by vouchers, which received careful examination in the Mint Bureau as well as in the accounting offices of the Treasury Department.

PHILADELPHIA MINT.

At this mint, besides striking a large number of silver coins and an unprecedented coinage of gold, there was a continuous demand for minor coins, of which, during the year, 4,400,775 five-cent pieces and 42,461,475 one-cent pieces were coined. The total number of pieces coined at the mint in 1882 was 66,236,475, being 11,500,000 more than in the preceding year.

The demand for small coins, as has been noticed in other countries, increases with business activity, and is a favorable indication of the frequency of actual exchanges and of a prosperous condition of the country.

A greater amount of gold and silver was operated upon by the melter and refiner and by the coiner than in any previous year.

The heavy coinage of gold and of minor coins at the Philadelphia Mint has continued to require large expenditures, and to defray a considerable portion of the expense of the silver coinage has necessitated the use of the appropriation contained in the act for the coinage of the standard silver dollar. It is believed, however, that as the gold coinage will be diminished, the efficient superintendent of that mint will have effected, and at the close of the year will be able to show a considerable reduction in the expenses of the mint.

SAN FRANCISCO MINT.

This mint at its annual settlement made a favorable exhibit of its condition and operations, and appeared in all its departments to be in excellent order. The coiner had a small wastage. The melter and refiner's settlement was quite satisfactory and creditable to him. He returned an excess of \$16,485.28 in gold and \$1,560.43 in silver above the amount charged to him.

The work of this mint in coinage was about the same as in the previous year, 13,900,000 pieces having been struck in 1882, and 14,234,000 in 1881. Although the value of the gold coinage in 1882 was less, the number of

pieces executed was 334,000 greater than in 1881, while the silver coinage, which was wholly of silver dollars, was \$460,000 less.

Some official changes occurred during the year. At the commencement Mr. E. F. White superseded F. X. Cicott as coiner, and the superintendency of the mint, which for over four years had been under the able and careful management of Mr. H. L. Dodge, was at the close of the year surrendered to Mr. E. F. Burton, who, although previously appointed and commissioned, preferred not to enter upon duty until after the annual settlement and with the commencement of a new fiscal year.

CARSON MINT.

The difficulty in procuring silver for coinage was less than that experienced in former years, and coinage operations, which had been previously suspended, were resumed in the month of October and continued during the remainder of the year.

The refinery was kept open during the whole year for the purchase of silver and reception of deposits for parting and refining.

The work performed at the Carson Mint, as to the value of the deposits, number of pieces, and value of the coinage, was nearly double that of the preceding year.

The annual settlement made at the close of the fiscal year was satisfactory.

NEW ORLEANS MINT.

Less silver was purchased for coinage at the New Orleans Mint than in the preceding year, and although there was a greater coinage of gold, the number of pieces and value of the silver coinage was about a million and a half dollars less than the previous year.

At the commencement of the year the coiner, Mr. J. W. Helffrich, resigned. Mr. B. F. Butler, his assistant, was designated by the Secretary as acting coiner, and had charge of that department of the mint until appointment of Mr. F. K. Jones, February 10, 1882, who, as soon as confirmed, was placed in charge.

NEW YORK ASSAY OFFICE.

Mr. Thomas C. Acton, the superintendent of the New York Assay Office, whose administration of its affairs for over twelve years had been characterized by a most faithful, efficient, and economical management, having been tendered a more responsible official position, resigned the superintendency and delivered the office at the close of the calendar year to his successor, Mr. Pierre C. Van Wyck. During the year deposits amounting to \$35,994,087 in gold and \$7,168,260 in silver were received. The silver deposits were nearly \$2,000,000 in excess of those of the preceding year, while the gold deposits were upwards of \$63,000,000 less in amount, owing to a decrease in imports of foreign bullion and coin.

Bars were manufactured to the value of, gold, \$35,887,653.08, and silver, \$7,092,393.25, being about \$64,000,000 less of gold bars and about \$2,000,000 more of silver bars than were made in the previous year.

DENVER MINT, AND ASSAY OFFICES AT CHARLOTTE, HELENA, BOISE, AND SAINT LOUIS.

The value of the gold and silver bullion deposited at these institutions, and of the unparted bars manufactured, was much greater than in the preceding year.

The charges collected for melting, assaying, and stamping bars were \$1,694.07, and for assays of ores, \$2,138. The total earnings of all the institutions were \$4,955.72, some \$700 less than in the previous year.

The increased value of the deposits and of the bars manufactured arose from a greater amount of bullion being received and bars manufactured at the Denver Mint and Helena Assay Office, the deposits of gold at the former having increased from \$235,137.15 to \$458,847.07; silver, from \$3,805.77 to \$7,053.02; and the value of bars manufactured from \$238,942.92 to \$465,900.09.

The growth of business at Helena was, in deposits of gold, from \$368,525.13 in 1881 to \$684,475.53 in 1882, and in silver deposits from \$84,314.97 to \$145,306.05, and in the value of bars manufactured from \$652,840.10 to \$829,781.58.

MONETARY STATISTICS OF THE UNITED STATES.

Since submitting my last annual report inquiries relative to the production, import, export, and consumption of the precious metals, and to their circulation as money, have been, as heretofore, diligently prosecuted, and much valuable information obtained.

The facts that have been gathered are here classified and summarized, and the more important tabulated for convenient comparison or reference.

PRODUCTION OF THE PRECIOUS METALS IN THE UNITED STATES FOR THE FISCAL YEAR 1882.

At the close of the calendar year 1881, after an extended review of the production of gold and silver in the mining districts and counties in the States and Territories, a careful estimate was made of the total production of the United States and published in the special report transmitted by the Secretary of the Treasury to Congress in June last. I then estimated the total production for the calendar year 1881 to have been, of gold, \$34,700,000, and of silver, \$43,000,000; a total of \$77,700,000. The production by States and Territories was estimated to have been as follows:

Production of gold and silver in the United States during the calendar year, 1881 by States and Territories.

	Gold.	Silver.	Total.
Alaska.....	\$15,000		\$15,000
Arizona.....	1,000,000	\$7,300,000	8,300,000
California.....	18,200,000	750,000	18,950,000
Colorado.....	3,300,000	17,160,000	20,460,000
Dakota.....	4,000,000	70,000	4,070,000
Georgia.....	125,000		125,000
Idaho.....	1,700,000	1,300,000	3,000,000
Maine.....		5,000	5,000
Montana.....	2,320,000	2,630,000	4,950,000
Nevada.....	2,250,000	7,060,000	9,310,000
New Mexico.....	185,000	275,000	460,000
North Carolina.....	115,000		115,000
Oregon.....	1,100,000	50,000	1,150,000
South Carolina.....	35,000		35,000
Tennessee.....	5,000		5,000
Utah.....	145,000	6,400,000	6,545,000
Virginia.....	10,000		10,000
Washington.....	120,000		120,000
Wyoming.....	5,000		5,000
Total.....	34,700,000	43,000,000	77,700,000

The production of gold had declined and that of silver increased over their production in previous years. From the deposits made at the mints and the exports of domestic bullion there appears to have been a still further falling off in the production of gold and an increase in that of silver.

The deposits of domestic gold at the mints and assay offices during the calendar year 1881 amounted to \$34,271,359.46, and during the fiscal year 1882 to \$31,298,511.97, a falling off of about three millions of dollars. This decline appears to have been in the production of the States on the Pacific slope. The deposits of domestic gold at the San Francisco and Carson Mints, which amounted to \$26,011,017.50 in the calendar year 1881, during the fiscal year amounted to only \$22,708,663.44, a decline of \$3,302,354.06.

During the calendar year 1881 the deposits and purchases of domestic silver were \$27,899,213.12, while during the fiscal year ended June 30, 1882, they had increased to \$30,956,588.18, a gain of over three millions of dollars; but the exports of domestic silver, which in the calendar year were reported, at their commercial value, at \$12,796,280, were reduced in the fiscal year to \$11,653,547, a decline in the export of domestic silver bullion, computed at its coining value, of about \$1,300,000, leaving the net gain in the silver production for the year over that of the preceding year about \$1,700,000. Making allowance for the same amount of domestic undeposited gold and silver used in the arts during the fiscal year as in the calendar year, the total production for the fiscal year may be approximately estimated at \$31,500,000 for gold and \$44,700,000 for silver.

CONSUMPTION OF THE PRECIOUS METALS.

As the inquiries prosecuted for three years to ascertain the amount of gold and silver annually used in the United States in manufactures, the arts, and ornamentation had resulted in obtaining for the year 1881 sufficient data for future approximate estimates, no circulars were sent for obtaining information as to the amount used during the last fiscal year. It was estimated in last year's report that there were annually consumed in the United States for industrial purposes \$11,000,000 of gold and \$6,000,000 of silver, of which amounts \$5,500,000 of gold and \$5,000,000 of silver were estimated to be domestic bullion.

A report was obtained, as usual, from the New York Assay Office, which is published in the appendix, and shows the following as the amount and character of the gold and silver deposited for bars to be supplied to manufacturers:

Bars furnished to manufacturers.	Gold.	Silver.	Total gold and silver.
Of United States coin	\$45,511 06	\$45,887 73	\$61,378 79
Of foreign coin	532,154 28	154,522 17	686,676 45
Of foreign bullion	843,281 26	192,228 35	1,035,509 61
Of plate, &c.	690,063 81	191,719 33	881,783 14
Of domestic bullion	5,206,075 85	5,444,111 16	10,650,187 01
Total	7,317,086 26	5,998,446 64	13,315,532 90

The statement shows that the bars prepared and delivered for the use of manufacturers exceeded in value those of the previous year by,

gold, \$1,500,000, and silver, \$870,000; and that the increased consumption consisted of gold and silver of domestic production.

For the fiscal year 1882 the consumption, therefore, of the precious metals in the United States for use in the arts, &c., probably exceeded \$12,000,000 of gold and \$7,000,000 of silver, of which \$7,000,000 of gold and \$6,000,000 of silver were of domestic production.

COIN CIRCULATION OF THE UNITED STATES.

The total circulation of the United States coin amounted, as nearly as can be ascertained, on the 1st of July, 1882, to \$500,000,000 of gold and \$200,000,000 of silver, a total of \$700,000,000.

This estimation is based upon the gains to the metallic circulation by coinage less recoinage, and imports less exports of United States coin since 1873, at which time I estimated the circulation of United States gold coins at \$135,000,000, and of United States silver coins at \$5,000,000.

The circulation was estimated in my last annual report to have been, on the 30th of June, 1881, \$439,776,753 of gold and \$171,459,766 of silver.

During the year \$399,357 of United States gold coin and \$127,572 of United States silver coin were deposited at the mints and remelted.

There were also exported of United States gold coin \$29,805,289, and imported \$4,796,630, being an excess of exports over imports of \$25,008,659. Of silver coin the imports were \$940,877, and the exports \$423,099, being an excess of imports over exports of \$517,778. Subtracting from the total gold coinage of the year the recoinage, the excess of exports over imports, and the coins used in the arts, not deposited at the mints or assay offices, estimated at \$2,700,000 (based on last year's estimate of \$3,300,000 as the total consumption of such coins), makes the gain during the year in United States gold coin \$31,005,432, and the total amount in the country on the 1st of July, 1882, \$500,882,185.

In like manner, subtracting from the silver the deposits for recoinage, and the estimated consumption of \$60,000 undeposited silver coins used in the arts, and adding the excess of imports over exports, makes the gain to the silver circulation during the year \$28,113,594, and the total silver circulation of United States silver coin on the 1st of July, 1882, \$199,573,360.

The following table shows the gain during the year:

United States coin.	Gold.	Silver.	Total.
Circulation, June 30, 1881	\$439,776,753	\$171,459,766	\$611,236,519
Year's coinage, less deposits for recoinage	88,814,394	27,443,419	116,257,813
Excess of imports over exports		517,778	517,778
Total	528,591,147	199,421,363	728,012,510
Less excess of exports over imports	25,008,659		25,008,659
Remainder	503,582,488	199,421,363	703,003,851
Less amounts used in the arts	2,700,000	60,000	2,760,000
Circulation July 1, 1882	\$500,882,488	\$199,573,360	\$699,455,848

From the Treasurer's statements of the amount of coin in the Treasury, and gold and silver certificates outstanding, and from the reports of the national banks to the Comptroller of the Currency, and certificates held by them, it would appear that on the 1st of July, 1882, the gold and silver of the country, deducting from the amount held by the Treasury

the certificates outstanding and counting as coin those held by banks and in circulation, belonged as follows:

Belonging to—	Gold.	Silver.			Total United States gold and silver coins.
		Legal tender.	Subsidiary.	Total.	
Treasury.....	* \$86, 933, 483	* \$32, 647, 726	\$28, 048, 630	\$60, 696, 356	* \$147, 631, 839
National banks.....	† 103, 943, 999	† 4, 000, 000	† 3, 750, 263	† 7, 750, 263	† 111, 694, 262
Other banks.....	† 20, 000, 000				
Private hands.....	† 290, 002, 793	82, 497, 054	48, 629, 687	131, 126, 741	† 441, 129, 444
Total.....	500, 882, 185	119, 144, 780	80, 428, 580	199, 573, 360	700, 455, 545

* Less outstanding certificates.

† Including Treasury certificates.

‡ Estimated.

¶ Including Treasury certificates.

Since the 1st of July and up to October 1, 1882, the coinage of gold was \$13,339,863, and of silver, \$6,915,185; the excess of exports of gold coin over imports about \$2,031,012, and of imports over exports of silver coin, \$121,225; leaving the circulation on the 1st instant of United States coins, gold, \$512,191,036, and silver, \$206,609,770, and total of \$718,800,806, as appears from the following statement:

	Gold.	Silver.	Total.
Circulation July 1, 1882.....	\$500, 882, 185	\$199, 573, 360	\$700, 455, 545
Coinage to October 1, 1882.....	13, 339, 863	6, 915, 185	20, 255, 048
Excess of imports over exports to October 1, 1882.....		121, 225	121, 225
Total.....	514, 222, 048	206, 609, 770	720, 831, 818
* Less excess of exports over imports.....	2, 031, 012		2, 031, 012
Circulation October 1, 1882.....	512, 191, 036	206, 609, 770	718, 800, 806

* All ports for July and August, only New York and San Francisco for September.

Besides this amount of gold and silver coin, there was in the mints and assay offices on the 1st of October, deposited or purchased for coinage, gold bullion of the value, approximately, of \$51,440,420, and silver bullion costing \$3,343,565, making a total of coin and bullion belonging to the United States and awaiting coinage, of gold, \$563,631,456, and of silver, \$209,953,335, a total of \$773,584,791.

TOTAL CIRCULATION OF THE UNITED STATES.

The total paper and metallic circulation of the United States in General Table No. XXXI, showing the circulation of the various countries of the world, is given for October 1, 1882, as \$793,074,878 paper, and \$773,585,790 metallic,* a total of \$1,566,659,668, being a *per capita* of \$15.81 paper and \$15.42 metallic.

The paper circulation of the United States in that table includes United States notes, national-bank notes, and gold and silver certificates, fractional currency to the amount of \$7,028,078, omitting the small amounts of unredeemed legal tender, demand, and interest-bearing notes, which are seldom if ever seen in active circulation.

As only a portion of the paper and metallic money is in actual circulation, in Table XXXII the Treasury and bank metallic reserves are

* The figures given for the metallic circulation include the bullion in the mints and assay offices.

stated; but the actual active circulation on the 1st day of July in the possession of the general public is to be reduced by the amounts of paper held at that date by the Treasury and banks, which is shown in the following table, compiled in this Bureau from the bank and Treasury statements prepared by the Comptroller of the Currency and the Treasurer of the United States:

State of circulation July 1, 1882.

	In Treasury.	In banks.	In active circulation.	Total.
Gold bullion.....	\$56,541,887	•		\$56,541,887
Silver bullion.....	3,230,908			3,230,908
Gold coin.....	91,964,503	\$90,503,599	\$309,354,082	500,822,184
Silver dollars.....	87,153,816	3,200,000	28,790,964	119,144,780
Fractional silver coin.....	28,048,631	3,696,223	48,683,726	80,428,580
Gold certificates.....	8,100	4,440,400	588,620	5,037,120
Silver certificates.....	11,590,620	854,040	53,652,050	66,096,710
United States notes.....	34,670,589	64,019,518	247,990,909	346,681,016
National bank notes.....	6,277,247	27,746,295	324,656,458	358,680,000
Fractional currency.....	17,754	373,725	6,655,708	7,047,247
Total.....	319,504,055	203,833,800	1,020,372,577	1,543,710,432

The character and possession of the paper and specie circulation of the United States at the commencement of the fiscal year appears in the following table, prepared from the same sources of information:

State of circulation July 1, 1881.

	In Treasury.	In bank.	In active circulation.	Total.
Gold bullion.....	\$89,017,716			\$89,017,716
Silver bullion.....	3,309,949			3,309,949
Gold coin.....	74,153,945	\$116,073,276	\$249,549,532	439,776,753
Silver dollars.....	62,544,722	3,000,000	25,827,983	91,372,705
Fractional silver coin.....	27,247,697	3,482,561	49,356,803	80,087,061
Gold certificates.....	23,400	5,137,500	622,020	5,782,920
Silver certificates.....	12,055,801	945,390	38,165,139	51,166,530
United States notes.....	33,204,092	58,728,713	257,748,211	346,681,016
National bank notes.....	5,296,382	27,932,850	321,812,762	355,042,000
Fractional currency.....	53,150	372,140	6,680,654	7,105,953
Total.....	303,906,863	215,672,630	949,342,603	1,469,342,603

By comparing the foregoing tables for 1881 and 1882 it will be seen:

1st. That of the 74½ millions of paper and metallic circulation gained to the total circulation the Treasury received 15½ millions, the people gained 71 millions, and the banks lost 11½ millions.

2d. That of the 61 millions of dollars of gold coin gained to the circulation the Treasury, in reducing its stock of gold bullion, retained nearly 18 millions of the resulting gold coin and reduced the outstanding gold certificates \$750,000, while the national banks lost \$16,500,000 in gold coin and nearly \$700,000 of gold certificates, and the general public gained \$60,000,000.

3d. That as to the silver circulation, the silver dollars and silver certificates in the hands of the public, including the banks, at the close of the fiscal year, were over \$18,600,000 more than at its commencement, while the silver coin in the Treasury not represented by outstanding certificates increased \$24,600,000.

COURSE OF PRICES IN THE UNITED STATES 1881-1882.

The prices of domestic exports, as indicated by an average of the values declared at the custom-house, shows an advance of 7 per cent. on the export prices of the previous year. The advance was principally in the prices of food exports, such as breadstuffs, provisions, live animals, &c., which constituted in value a large portion of the total exports.

The prices of 1882, however, remained below the currency prices of exports in 1870, being an average of 84 per cent. of the average declared prices of the principal commodities in the latter year. As United States notes were at that period at a discount of 13 per cent., the prices of the exports in 1882 were 3 per cent. below the currency prices of 1870, reduced to the gold standard. A table is also inserted containing the average yearly prices in the New York market for the calendar years 1880 and 1881 of a large number of staple articles, and the comparative percentage of such prices for the year 1881, on their prices for the year 1880, and on their average prices for the preceding fifty-six years. The quotations for the last two years have been compiled semi-weekly from the New York Shipping and Commercial List, taking for each article, as far as practicable, the same grade and quality as that used in preparing the table for my last report. The average of the percentages of the prices of 1881 compared with the prices of 1880 and with the average prices for the fifty-six preceding years also indicate an advance in prices averaging on the prices of the same articles for the previous year of 10.6 per cent., and on their average prices for fifty-six years of 2.7 per cent.

MONETARY STATISTICS OF FOREIGN COUNTRIES.

Additional replies to those published in my last and previous annual reports have been received from our representatives abroad, containing valuable information in relation to the monetary statistics of foreign countries, and are given in full in the appendix. The information which they contain has enabled me to correct the tables of circulation, coinage, and production to later dates.

A condensed statement of the contents of these papers and of the monetary condition of the countries to which they respectively relate may be found useful, and is herewith submitted:

GREAT BRITAIN AND COLONIES.

Great Britain and Ireland.—The report of Mr. C. W. Fremantle, the deputy master of the royal mint of Great Britain, was received at my office, and found to contain, as usual, much important information, not only in regard to the coinage of the mints of the British Empire, but of the operations of the mints in other countries.

From his report it appears that no gold coinage was executed during the year 1881 in Great Britain, but the silver coinage exceeded that of any previous year except 1872 and 1873, and amounted to £297,128, equal to \$4,852,523, of which £146,175 were transmitted to the British colonies to replace £67,543 16s. 6d. of worn coin withdrawn. The new silver coins sent to the colonies in 1880 amounted to £308,949, equal to \$1,503,457, and the worn silver coin withdrawn to £86,425, equal to \$420,587. The total amount of worn coin withdrawn from circulation during the year 1881 in the kingdom was £340,286, equal to \$1,656,002. The value of the bronze coinage, pence, half-pence, and farthings, at its nominal value, was £23,405, equal to \$113,900.

For the use of the treasury chests abroad in 1881 there were shipped 384,400 sovereigns and half sovereigns, equal to \$1,870,683; £12,040 in silver, equal to \$58,593; and £60 in bronze pence and half pence.

The average price paid for silver during the year was $51\frac{1}{4}$ d. per ounce (British standard), while the average market price was $51\frac{3}{4}$ d., and the seigniorage accruing was $14\frac{3}{16}$ d. per ounce, or $27\frac{1}{8}$ per cent., amounting to £166,823, equal to \$811,844.

The imports and exports of gold and silver for the last five years were as follows:

SILVER.

	Imports.	Exports.
1877.....	£20,000,000	£19,000,000
1878.....	11,000,000	11,250,000
1879.....	10,500,000	11,000,000
1880.....	6,500,000	7,250,000
1881.....	6,700,000	7,000,000

GOLD.

1877.....	£15,000,000	£20,000,000
1878.....	21,000,000	14,000,000
1879.....	13,250,000	16,500,000
1880.....	9,000,000	11,500,000
1881.....	10,000,000	15,500,000

Showing a net loss to the country in 1881 of gold £5,500,000, equal to \$26,750,000, and of silver, £300,000, equal to \$1,460,000.

The amount of circulation, including bank reserves, is reported by our minister as—

Gold.....	£121,630,000	\$591,912,395
Silver.....	19,036,000	92,628,694
Paper.....	42,339,000	206,334,733

William King, esq., the consul of the United States at Birmingham, forwards, under date of July 19, 1882, an interesting report on the assay office at that city, established in 1873 for the purpose of assaying and stamping with official marks articles of jewelry, &c.

India.—Mr. C. C. Baneroff, acting vice consul-general of the United States at Calcutta, forwards, under date of September 10, 1881, a reply from the secretary of the government for India to certain inquiries contained in a circular of this department.

The coinage for the year 1879 and 1880 is given as follows, to wit:

	Rupees.	
Gold.....	147,300	\$54,447
Silver.....	71,803,307	28,013,290

The gold coinage is probably given for the fiscal year ended March 31, 1880, and the silver coinage for the calendar year ended December 31, 1880. The net gain of coin and bullion by imports for the calendar year 1880 is stated as—

	Rupees.	
Gold.....	33,142,538	\$12,925,590
Silver.....	50,460,502	19,679,596

The circulation of silver coin is given as from \$250,000,000 to \$500,000,000, with 57,270,495 rupees=\$22,335,493 of silver coin in the Treasury, and 6,905,525 rupees=\$2,693,155 in banks, and the government paper outstanding on December 31, 1880, as 143,268,925 rupees=\$55,874,880.

The silver coin in circulation has been estimated, for reasons and upon data given in my previous reports, at more than double the amount stated by Mr. Bancroft.

Australasia.—O. M. Spencer, consul-general at Melbourne, furnishes an important report on the production, consumption, and movement of the precious metals in Australia.

During the year 1881 the gold coined in Melbourne and Sydney mints is stated as £4,047,902=\$19,699,115.

The gold exported from the different provinces in 1880 exceeded the imports by £3,260,774=\$15,868,556, while the stock of silver the same year was increased by a net gain from imports of £186,085=\$905,582.

The product of the mines for 1880 was as follows :

Gold.....	£5,910,819	\$28,765,001
Silver	46,673	197,935

The condition of the banks on December 31, 1880, is shown by the following statement :

Gold and silver coin.....	£11,475,294	\$55,844,518
Gold and silver bullion.....	804,699	3,916,068
Notes in circulation.....	4,405,276	21,438,276

G. W. Griffin, United States consul at Auckland, furnishes the following statement of the production and exportation of gold from New Zealand since the discovery of that metal in 1857 :

1857.....	\$202,210	1869.....	\$11,814,975
1858.....	362,215	1870.....	10,587,925
1859.....	142,135	1871.....	13,937,600
1860.....	87,925	1872.....	8,654,960
1861.....	5,763,285	1873.....	9,937,125
1862.....	7,956,945	1874.....	7,526,655
1863.....	12,158,615	1875.....	7,038,850
1864.....	9,289,235	1876.....	6,342,795
1865.....	11,132,370	1877.....	7,480,400
1866.....	14,222,585	1878.....	6,200,395
1867.....	13,501,375	1879.....	5,993,205
1868.....	12,521,630	1880 (to June 30, 1880).....	2,996,000

British Guiana.—The United States consul at Demarara writes that no mines of gold or silver exist in that colony, and that it has no mint.

The value of the bullion imported during the year was \$95,702, and of that exported \$11,421.

The principal coins in circulation are British silver, but American gold and Spanish doubloons also circulate.

The outstanding paper circulation of the two banks of the colony on the 31st of December, 1880, is estimated at \$691,790.

FRANCE.

Our minister at Paris furnishes, under date of July 8, 1882, very complete statistics from the minister of finance, touching the monetary affairs of France.

The coinage for the year was—

	Francs.	
Gold.....	2,167,000	\$418,231
Silver	6,733,445	1,299,554

The gain in gold bullion by imports during the year amounted to 33,638,040 francs, but there was a loss by export of 23,453,920 francs in gold coin, leaving a net gain to the country in gold of 10,184,120 francs = \$1,965,553.

In silver there was a gain during the year of both coin and bullion as follows :

	Francs.	
Coin.....	20, 019, 820	\$3, 863, 825
Bullion.....	30, 884, 974	5, 960, 800

The amount of cash in the Bank of France on December 29, 1881, was, gold, 655,696,391.13 francs=\$126,549,403; silver, 1,161,468,130.11 francs=\$224,163,349, an aggregate of 1,817,164,521.24 francs=\$350,712,752, and the paper circulation outstanding at the same date was 2,778,428,840 francs=\$536,236,766.

SWITZERLAND.

In the dispatch of Minister Cramer, the gain in the precious metals by excess of importation into Switzerland during the year 1881 is stated as—

	Kilograms.	
Gold.....	2,200	\$1,462,120
Silver.....	103,300	4,293,148

The circulation of bank notes amounted on December 31, 1881, to 109,867,000 francs=\$21,204,331, and the coin in the Federal Treasury was at the same time as follows :

	Francs.	
Gold.....	1,324,000	\$255,532
Silver.....	462,000	89,166

BELGIUM.

The Belgian government transmits, under date of April 4 of the present year, three responses of the different bureaus of the government to the circular of this department.

No gold was coined in either 1880 or 1881 for the home government, but 3,261.457 kilograms=\$135,546 were coined into fractional silver in 1880, and 915.676 kilograms=\$38,055 in 1881.

There was coined for the republic of Venezuela, during the year 1880, 487.547 kilograms of gold=\$324,024, into 20-Bolivar pieces.

The imports and exports for the two years are given as follows :

	Kilograms.	
1880. Imports, gold.....	1, 259	\$836, 731
1880. Imports, silver.....	29, 649	1, 232, 212
1881. Imports, gold.....	488	324, 325
1881. Imports, silver.....	112, 211	4, 663, 489
1880. Exports, gold.....	149	99, 025
1880. Exports, silver.....	1, 011	42, 017
1881. Exports, gold.....	26	17, 280
1881. Exports, silver.....	80, 293	3, 336, 977

The gold and silver used in manufactures, presented for stamping at the bureau of garantie during 1880, amounted to 32 kilograms of gold = \$21,267, and 2,193 kilograms of silver = \$91,141, which does not include that used in the arts.

The circulation on December 31, 1881, was estimated to be about 533,823,529 francs in gold = \$103,027,941; in silver, 275,000,000 francs = \$53,075,000, besides 32,780,000 = \$6,326,540 in fractional silver coins, and 354,753,670 francs in paper = \$68,467,462.

In addition to these amounts the banks held a reserve in gold, amounting to 77,394,960 francs = \$14,937,227, and 18,982,000 francs in silver = \$3,663,526.

ITALY.

The chargé d'affaires of the United States at Rome forwards, under date of July 14 of the present year, an original report from the Italian minister of the treasury in regard to the monetary affairs of that kingdom.

The coinage for the year 1880 was, gold, 2,590,660 lire = \$499,997; no silver was coined during the year.

For 1881 the coinage was as follows:

	Lire.	
Gold	16,860,560	\$3,253,988
Silver	8,281,588	1,598,346

The imports and exports during the year 1880 were as follows:

	Lire.	
Gold imports	8,824,280	\$1,703,086
Silver imports	23,377,600	4,511,877
Gold exports	7,561,760	1,459,420
Silver exports	12,291,120	2,372,186

The aggregate coinage from 1862 to 1880, inclusive, amounted to—

	Lire.	
Gold	255,134,980	\$49,241,051
Silver	520,637,025	100,482,946

The paper circulation December 31, 1881, was—

	Lire.	
State notes	940,000,000	\$181,420,000
Bank notes	735,579,107	141,966,767

The reserves held December 31, 1881, were—

	Lire.	
In banks:		
Gold	71,304,720	\$13,761,811
Silver	63,573,305	12,269,648
Treasury:		
Gold	7,654,370	1,477,293
Silver	32,707,024	6,312,456

The following, on the resumption of specie payments by the Italian Government, is taken from the London Economist of May 13, 1882:

Some attempts have been made to calculate the amount of coined gold and silver which will exist in the country at the time of the resumption of specie payments. The following data may, perhaps, be considered approximate:

	Frances.	
In Treasury:		
Gold	550,000,000	\$106,150,000
Five-franc, silver	100,000,000	19,300,000
Fractional silver currency	95,000,000	18,335,000
In banks:		
Gold	110,000,000	21,230,000
Five-franc silver pieces	15,000,000	2,895,000
Fractional silver currency	51,000,000	9,843,000
In the country:		
Gold	90,000,000	17,370,000
Five-franc silver pieces	100,000,000	19,300,000
Fractional silver currency	10,000,000	1,930,000

Or a grand total of 1,121,000,000 francs of coin, in addition to 340,000,000 of state notes, and 750,000,000 of legal-tender bank notes.

The government is at present taking back from France the last installment of silver fractional currency of about 16,000,000 francs, paying for it in five-franc silver pieces. The amount of five-franc silver pieces coined by Italy is estimated at 350,000,000 francs, of which it is believed about 160,000,000 or 180,000,000 will be out of Italy at the time of the resumption of specie payments. There is, besides, in the country a large amount of old silver money coined by the past governments, and which it would be rather difficult to estimate. The government has lately tried to issue some small quantity of silver pieces of 50 centimes (5d), but they were immediately hoarded for the payment of custom duties. This would have caused a scarcity of change were it not for the large quantity of heavy copper money.

SPAIN.

The dispatch from Hon. Dwight T. Reed, of the United States legation at Madrid, under date of September 19, 1881, contains the following information relative to the finances of Spain for the year 1880. The coinage executed was as follows:

	Pesetas.	
Gold.....	171,573,675	\$33,113,719
Silver.....	1,393,551	268,955

The net loss of gold coin by export was 9,110,484 pesetas = \$1,758,323, while there was a gain in silver coin of 3,528,662 = \$681,032.

There were 74,500 kilograms of silver produced from the mines of Spain during the year, valued at \$3,096,220. The coin in the Treasury on December 31, 1880, is reported to have been:

	Pesetas.	
Gold.....	4,017,847	\$775,444
Silver.....	10,465,920	2,019,923

PORTUGAL.

A communication from Minister Moran, dated December 28, 1881, contains the following statistics regarding the coinage, &c., of Portugal during the year 1880:

	Kilograms.	
Gold coinage.....	524,775	\$348,765
Silver coinage.....	3,500,768	145,492

The imports and exports for the same year are given as follows:

	Milreis.	
Imports:		
Gold.....	2,573,801	\$2,779,705
Silver.....	43,686	47,181
Exports:		
Gold.....	28,231	30,489
Silver.....	30,588	33,035

Showing a net gain in gold of \$2,749,216, and in silver of \$14,146.

GERMANY.

Hon. H. Sidney Everett furnishes, under date of September 12, 1881, a statement of the gold imports and exports of Germany for the year 1880:

	Kilograms.	
Imports.....	8,025	\$5,333,415
Exports.....	11,254	7,479,108

Showing a net loss to Germany during the year named by export of \$2,145,993 in gold.

AUSTRIA-HUNGARY.

The Hon. William Walter Phelps, our minister to Austria, has forwarded two dispatches, under dates of November 29, 1881, and June 21, 1882, containing very complete information in relation to the monetary affairs of the Austro-Hungarian Empire.

The coinage for 1880 is given as:

Vienna mint, gold.....	florins..	2,585,706	\$1,247,264
Hungarian mint, gold.....	kilograms..	1,804,0786	1,198,321
Vienna mint, silver.....	florins..	6,810,782	2,760,177
Hungarian mint, silver.....	kilograms..	42,384,644	1,761,506

And for the year 1881 :

	Florins.	
Vienna mint, gold	4, 147, 434	\$2, 000, 584
Vienna mint, silver	6, 673, 452	2, 709, 434

The imports and exports for 1880 and 1881 were as follows :

	Florins.	
1880. Imports:		
Gold	21, 355, 000	\$10, 300, 584
Silver	6, 965, 217	2, 827, 878
1881. Imports:		
Gold	19, 798, 000	9, 549, 565
Silver	13, 034, 447	5, 291, 985
1880. Exports:		
Gold	3, 277, 900	1, 581, 095
Silver	15, 342, 351	6, 228, 995
1881. Exports:		
Gold	2, 192, 350	1, 057, 480
Silver	269, 836	109, 553

Showing a net gain by imports in the two years of gold \$17,211,574, and of \$1,781,315 in silver.

The production of the precious metals during the same years was :

	Kilograms.	
Austria, 1880, gold	43	\$28, 578
Hungary, 1880, gold	1, 604	1, 066, 018
Austria, 1881, gold	1, 867	1, 240, 808
Austria, 1880, silver	30, 257	1, 257, 481
Hungary, 1880, silver	17, 743	737, 399
Austria, 1881, silver	31, 359	1, 303, 280

An aggregate of..... 5, 633, 564

The paper circulation of the empire on the 31st of December, 1881, is given as state notes, 320,434,947 florins=\$130,096,000, and Austro-Hungarian Bank notes (legal tender), 354,287,560 florins=\$143,836,000. The cash reserve in the treasury and in Austro-Hungarian Bank at the date mentioned was :

	Florins.	
In treasuries:		
Gold coin	6, 000, 000	\$2, 894, 100
Silver coin	14, 000, 000	5, 684, 000
Austro-Hungarian Bank:		
Gold coin	68, 725, 532	33, 159, 760
Silver coin	122, 130, 827	49, 585, 116

The following comparative table of imports and exports of gold and silver from Austro-Hungary during the years 1881-'82 is from the London Economist of July 22, 1882, and is for the year ending April 30 :

	Imports.		Exports.	
	1881.	1882.	1881.	1882.
Gold	£7, 116	£2, 250	£496	£200
Gold coin	272, 883	260, 516	62, 108	274, 534
Silver	185, 956	18, 304	400	
Silver coin	150, 183	18, 435	7, 670	2, 929, 400
Total	616, 138	299, 505	70, 674	3, 204, 134

RUSSIA.

The following statistics in relation to the drain of gold from Russia, compiled from the annual report of the Russian customs department, are taken from the London Economist of April 8, 1882:

Years.	Imports.	Exports.
1875.....	\$3, 816, 400	\$18, 095, 000
1876.....	3, 092, 600	67, 378, 600
1877.....	6, 711, 600	12, 238, 800
1878.....	10, 462, 200	8, 751, 400
1879.....	9, 146, 200	5, 856, 200
1880.....	7, 501, 200	17, 305, 400
1881.....	4, 474, 400	44, 612, 400
	45, 204, 600	174, 435, 800
Excess of exports.....		45, 204, 600
		129, 231, 200

NORWAY AND SWEDEN.

Hon. John L. Stevens, in a communication dated September 9, 1881, furnishes two official dispatches, which contain valuable statistical information relating to the finances of this kingdom. The coinage of 1880 (calendar year) was—

	Kilograms.	
Norway, silver.....	12	\$499
Sweden, silver.....	5, 368	223, 094
Sweden, gold.....	1, 133	752, 992

The importation into Norway during the year amounted to, gold and silver, 2,483,000 crowns=\$665,444; the exports for the same period were, gold and silver, 753,800 crowns=\$202,018; showing a net gain in both metals of \$463,426.

The imports and exports of Sweden are given as follows:

Imports:	Kilograms.	
Gold.....	4, 730	\$3, 143, 558
Silver.....	3, 748	155, 767
Exports:		
Gold.....	57	37, 882
Silver.....	586	24, 354

The production of the mines is given as—

	Kilograms.	
Norway, silver.....	4, 436	\$184, 360
Sweden, silver.....	1, 312	54, 527
Sweden, gold.....	5	3, 323

The circulation of Norway on the 31st of December, 1880, was about 24,000,000 crowns in gold=\$6,332,000; 4,000,000 crowns in silver=\$1,072,000, and 38,714,000 crowns in paper=\$10,375,352; and most of the gold was held by the banks and the public treasury.

The circulation of Sweden at the same date is stated as follows:

	Crowns.	
Gold.....	5, 500, 000	\$1, 474, 000
Silver.....	11, 000, 000	2, 248, 000
Paper.....	89, 635, 440	24, 022, 298

With bank reserves amounting to \$6,330,315 in gold, and \$1,481,572 in silver.

DENMARK.

Henry B. Ryder, United States consul at Copenhagen, forwards two dispatches, under date of March 9 and May 23 of the present year, in relation to the Kingdom of Denmark.

No coinage was executed during the years 1880 and 1881. The importation of gold in 1880 is stated as about 13,000,000 crowns= \$3,484,000. The amount exported is not given.

In 1881 there was a loss through excess of exports of gold of about 2,500,000 crowns=\$670,000.

The circulation is estimated at the close of the year 1881 to have been, of gold, 8,000,000 crowns=\$2,144,000, with 29,000,000 crowns=\$7,772,000 in the national bank; of silver, 15,350,000 crowns=\$4,113,800, and 2,800,000 crowns=\$750,400 in the bank; and of bank notes outstanding 75,219,280 crowns=\$20,158,767.

TURKEY.

General Wallace forwards, under date of the 14th of June of the present year, a dispatch in relation to the financial condition of the Ottoman Empire, from which it would appear that it is almost impossible to obtain any reliable information in relation to the monetary affairs of that country, for the reasons that no statistics are kept, and that both the government and banks are solicitous to conceal their affairs. He gives the product of the two lead mines worked by the government, from 1880 to June, 1882, as 557,092 drams in silver=\$71,441, and 2,307 in gold=\$4,918.

The paper money known as "Caimé" has been mostly withdrawn from circulation, for the reason that no one would accept it.

JAPAN.

The annual report of the commissioner of the imperial mint of Japan for the year ending June 30, 1881, has been received, and shows the imports of gold and silver to have been—

	Ounces.	
Gold.....	25,063	\$518,052
Silver.....	4,331,834	4,981,609

The coinage of gold was confined to 5-yen pieces, and of silver to 1-yen pieces, as follows: Gold, 98,117 pieces, valued at \$490,585; silver, 5,089,113 pieces, valued at \$4,514,043.

Of copper coins 73,841,406 pieces were struck of a tale value of 1,112,624 yens=\$986,897.5.

SANDWICH ISLANDS.

An extract from a dispatch from Mr. Comly, minister to the Hawaiian Islands, states that no mines or mints exist in those islands; that business is conducted on a silver basis, and that the principal coins in circulation are United States trade dollars and French five-franc pieces.

CHINA.

Hon. Joseph B. Angell, minister to China, states in his dispatch that the Chinese Government collects no statistics in relation to its monetary affairs.

MEXICO.

Minister Morgan forwards two dispatches—one under date of February 8, 1882, and the other June 29, 1882—relative to the coinage and movement of gold and silver in Mexico. The importation of gold is stated as very inconsiderable, being principally that brought by individuals to defray their personal expenses.

The exportation of gold during the fiscal year 1880 amounted to \$1,401,382, and of silver to \$20,137,932, besides \$496,437 in ores.

The circulation of the country is composed principally of silver, gold forming not more than 5 per cent. of the entire amount.

The general government has issued no paper money.

The coinage for the fiscal year 1881, was, gold, \$438,778; silver, \$24,139,023.60.

The *El Minero Mexicano*, of April 13, 1882, publishes the following as the coinage of the various mints of the Republic of Mexico during the fiscal years 1879-'80 and '81, but does not give the values separately of the different metals coined; in fact the amounts include the bronze coinage of the period covered:

Amount coined in—

1879	\$22,821,183 65
1880	24,537,354 85
1881	25,151,721 85

The same paper furnishes the following statement of the aggregate exports of gold and silver during the years 1878, 1879, and 1880:

Exported in—

1878	\$22,663,437 86
1879	21,528,938 19
1880	22,086,418 36

ARGENTINE REPUBLIC.

Ed. L. Baker, United States consul at Buenos Ayres, furnishes an interesting article relative to the new coinage law of the Republic, providing that the gold or silver "peso," or dollar, shall be the unit of value—the gold dollar to contain 25.1 grains of standard gold, 900 fine, and the silver dollar 25 grams (385.8 grains), the same weight as 2 half-dollars of our present coinage. He states that the national mint is now running day and night with a view to putting the new coins (8 millions of gold and 4 millions of silver) into circulation as soon as possible.

The government has issued a decree fixing the value of the old coins and moneys in circulation with respect to the new unit of value. This is the first authorized metallic currency of the republic, the circulating medium heretofore having been paper money and coins of gold and silver of foreign countries.

The bank-notes outstanding June 30, 1881, amounted to \$37,101,756. By the terms of the new coinage law all these notes must, within two years, be withdrawn and replaced by notes corresponding with the new monetary unit.

BOLIVIA.

Hon. Charles Adams, minister at La Paz, forwards a communication, dated August 30 of the present year, treating of the coinage, production, and consumption of the precious metals in that country during the year 1881. He states that no gold was coined during the year, but 47,425 kilograms of silver, equal to \$1,970,983, were coined at the national mint at Potosi into 20-cent and 10-cent pieces.

The silver exported amounted to about 500,000 Bolivianos, equal to \$411,500 in coin, and 8,000,000 Bolivianos, equal to \$6,584,000 in ores.

The production of the mines was, of gold, about 3,500 ounces, \$72,345; and of silver, 1,100,000 marks, valued at \$11,000,000. No gold is in circulation or in reserve in the banks.

The silver circulation of Bolivia on the 31st of December, 1881, is estimated to have been 6,000,000 Bolivianos, equal to \$4,938,000, with about 539,000 Bolivianos, equal to \$443,597, in the various banks.

The paper circulation at the same time (bank exclusively) amounted to about 1,374,869 Bolivianos, equal to \$1,131,517.

CHILI.

The United States consul at Valparaiso forwards a dispatch relating to the finances of Chili.

The coinage for the year 1880 was, gold, \$108,930; silver, \$2,226,392.75, and for 1881, gold, \$125,280; silver, \$3,020,000.95.

The imports and exports for the year 1880 are given as—

Gold imports.....	\$16,945
Silver imports.....	26,104
Gold exports.....	64,476
Silver exports.....	4,546,799

The production of the mines was about \$128,869, gold, and \$5,081,747 in silver.

The circulation of the country on the 31st of December, 1880, was, coin, \$2,500,000; paper, \$28,469,813; and the paper circulation on December 31, 1881, was \$26,555,341.

The coin in reserve is stated as follows:

In banks.....	\$1,600,000
In treasury.....	798,000

HAYTI.

Minister Langston forwards a special report on the national bank of Hayti, and a copy of a law passed by the *Corps Legislatif* of the Republic of Hayti fixing the standard of weight, value, and denomination of the new gold, silver, and bronze national money, to be known as "gourdes," the aggregate to be 2,000,000 gourdes, and the coinage to be executed at Paris. He also furnishes a reply, under date of July 14 of the present year, to the Treasury Department circular inquiring in relation to the monetary affairs of that republic. He states that \$780,000 of the new silver "gourdes" were coined during the calendar year 1881, and put in circulation.

The imports of gold coin amounted to \$11,494, and of silver coin, including the new national money, \$836,785, while the exports for the same period were, gold, \$1,550, and silver, \$517,488.

Mr. Langston estimates the gold of the republic to have been, on December 31, 1881, from three to five millions of dollars.

URUGUAY.

Consul A. L. Russell forwards from Montevideo a dispatch relative to the coins used in Uruguay and value at which the coins of other countries are received.

THE WORLD'S PRODUCTION OF GOLD AND SILVER.

The production of the precious metals in twenty countries whose mines furnish nearly the entire product, is given as revised for the years 1879 and 1880, and is brought down to the close of the calendar year 1881.

For the latter year, based upon estimates for some of the smaller producing countries, the total production of gold was, kilograms, 162,163, \$107,773,157; silver, kilograms, 2,349,689, \$97,659,460. This is a slight increase upon the production stated for 1880, being about one and a half millions more in gold and three millions in silver.

THE WORLD'S COINAGE.

The coinage of the United States in both gold and silver has continued to be greater than that of any other nation. For the calendar year 1881 more than two-thirds of the year's gold coinage—\$136,387,383—and over one-fourth of the total silver coinage—\$100,705,824—were executed at the mints of the United States.

The coinage for the three years 1879, 1880, 1881, officially obtained, is as follows:

Years.	Countries.	Gold.	Silver.	Total.
1879.....	14	\$90,752,811	\$104,888,313	\$195,641,124
1880.....	16	149,645,236	82,397,154	232,042,390
1881.....	15	136,387,383	100,705,824	237,093,207
Total.....		376,785,430	287,991,291	664,776,721

CIRCULATION OF THE PRINCIPAL COUNTRIES OF THE WORLD.

A table giving the paper and specie circulation of thirty-four of the principal countries of the world, total and per capita, has been compiled from official dispatches and other accessible data.

The paper circulation embraces both bank and government issues intended to be used as money, and the total amount of gold and silver coin in the countries, respectively, without deduction for such amounts as may be held as treasury or bank reserves, and in most cases probably includes the bullion as well as the coin of the countries.

The total amount of circulation of these countries is \$3,825,220,078 paper, \$3,353,673,748 gold coin, \$2,182,768,866 silver full legal tender, \$438,000,969 limited legal tender; total specie, \$5,974,443,583; total circulation, including reserves, \$9,799,663,661.

A further table has been prepared stating the government and bank issues and the reported metallic reserves of gold and silver held in bank and treasury vaults. The total amount of government paper issue of thirty-one countries, given in Table No. XXXII, was \$1,183,054,771 and the bank issue \$2,642,165,307, a total of \$3,825,220,078. The metallic reserves in the treasuries and banks of the same countries, as far as known, amounted to \$1,698,986,763.

An additional table is appended in which the amount of the bank and treasury reserves is deducted from the total metallic and paper circulation, for the purpose of showing, in thirty-five countries, the total amount in active circulation, which, outside of the banks and treasuries, was \$8,100,676,898. The per capita of active circulation in each of the countries is also given.

I have again to acknowledge the faithful and efficient services of the clerks of the Mint Bureau, among whom Messrs. Preston, Leech, and Eckfeldt are entitled to special mention for their valuable assistance in preparing tables and compiling and arranging statistical material embodied in this report.

I am, very respectfully,

HORATIO C. BURCHARD,

Director.

Hon. CHARLES J. FOLGER,

Secretary of the Treasury.

REPORT OF FIRST COMPTROLLER OF THE TREASURY.

TREASURY DEPARTMENT,
FIRST COMPTROLLER'S OFFICE,
Washington, October 20, 1882.

SIR: In compliance with the request made in your letter of September 8, 1882, I have the honor to submit the following report of the transactions of this office during the fiscal year which ended June 30, 1882.

The following-described warrants were received, examined, countersigned, entered into blotters, and posted into ledgers under their proper heads of appropriations:

Kind.	Number of war- rants.	Amounts.
APPROPRIATION.		
Treasury proper	38	\$28,067,456 05
Public debt	1	342,723,506 34
Diplomatic and consular	1	1,191,435 00
Customs	12	18,130,303 91
Internal revenue	5	4,932,849 27
Interior civil	9	7,606,940 36
Indians and pensions	40	79,071,251 94
War	22	43,527,670 44
Navy	7	15,202,701 57
	135	440,454,114 88
ACCOUNTABLE AND SETTLEMENT.		
Treasury proper	3,053	21,278,867 36
Public debt	79	342,860,059 98
Quarterly salaries	1,929	558,562 50
Diplomatic and consular	2,835	1,368,120 11
Customs	4,062	19,860,934 89
Internal revenue	4,523	4,857,313 02
Judiciary	3,343	3,283,267 38
Interior civil	2,153	6,951,418 90
Indians and pensions	3,399	73,364,469 82
War	4,608	44,908,724 67
Navy	2,121	21,514,323 57
	32,105	540,845,082 20
COVERING.		
Indians and pensions repay	627	2,082,548 21
War repay	1,610	1,348,280 48
Navy repay	364	5,856,254 29
Miscellaneous repay: Interior civil, treasury, customs, judiciary, diplo- matic and consular, internal revenue, and public lands.	2,575	3,185,137 81
	5,176	12,472,220 79

In addition to the above there have been received, registered, and countersigned warrants as follows:

Kinds.	Number of warrants.	Amounts.
Miscellaneous revenue covering warrants	8,900	\$152,809,508 21
Internal revenue covering warrants	1,754	146,497,399 45
Lands covering warrants	1,120	4,753,140 37
Customs covering warrants	1,558	220,410,730 25
	13,392	524,470,974 28

RECAPITULATION.

Pay, repay, and appropriation warrants	37,416
Miscellaneous and internal revenue, and lands, and customs covering	13,392
Total warrants received and passed	50,778
Miscellaneous requisitions registered and countersigned	739
Requisitions on superintendent of buildings and stationery clerk	413
Grand total	51,930

Accounts have been received from the auditing offices, revised, recorded, and the balances thereon certified to the Register of the Treasury, as follows:

Kind.	No. of accounts.	No. of vouchers.	Amount involved.
FROM THE FIRST AUDITOR.			
1. <i>Judiciary:</i>			
Accounts of marshals for their fees and for expenses of courts, of district attorneys and their assistants, of clerks of courts, of circuit court commissioners, and accounts for rent of court rooms	3,913	89,431	\$3,832,478 62
Judgments by Court of Claims examined and ordered paid	34	34	596,951 54
Total	3,947	89,465	4,428,530 16
2. <i>Public Debt:</i>			
Accounts of the Treasurer of the United States:			
For coupons payable in coin	123	2,530,939	15,055,606 08
For coupons of Treasury notes, Louisville and Portland Canal stock, and old funded debt of the District of Columbia	28	38,793	538,903 72
For registered stock of the District of Columbia redeemed	7	677	275,945 33
For District of Columbia 3.65 bonds purchased for sinking fund	1	45	12,000 00
For United States called bonds redeemed	21	67,541	114,711,105 12
For United States bonds purchased for sinking fund	2	1,553	8,346,713 72
For Louisville and Portland Canal stock redeemed	1	4	4,000 00
For interest on United States registered bonds (paid on schedules)	18	11,439	11,639,114 84
For interest on Pacific Railroad stock (reimbursable)	12	430	4,461,525 92
For checks for interest on funded loans of 1881, 1891, and consols of 1907	3	143,572	28,942,912 18
For gold certificates and refunding certificates	20	22,480	987,211 29
For certificates of deposit (act June 8, 1872)	12	1,512	13,630,000 00
For legal-tender notes, old demand notes, and fractional currency	34	1,021	43,064,322 00
For compound-interest, seven-thirty, and other old Treasury notes	41	618	20,204 73
For interest on Navy pension fund	1	1	210,000 00
Total	324	2,820,634	241,890,945 13
3. <i>Public Buildings:</i>			
Accounts for the construction of public buildings throughout the United States, and the buildings for the Bureau of Engraving and Printing and the National Museum, Washington, D. C.; for the construction of the building for the State, War, and Navy Departments; for the completion of the Washington Monument, and the care of the public buildings and grounds under the Chief Engineer, U. S. A.; for annual repairs of the Capitol and improving the Capitol grounds, extension of Government Printing Office and enlarging the court-house, Washington, D. C.; for Coast and Geodetic Surveys; and for the beneficiary and charitable institutions in the District of Columbia	303	21,984	2,640,508 67

Kind.	No. of accounts.	No. of vouchers.	Amount in- volved.
4. Steamboats:			
Accounts for salaries and incidental expenses of inspectors of hulls and boilers	75	9,977	\$428,371 46
5. Territorial:			
Accounts for salaries of Territorial officers and for the legisla- tive and contingent expenses incidental to the government of the Territories	183	1,476	199,814 23
6. Mint and Assay:			
Accounts for gold, silver, and nickel coinage; for bullion; for salaries of the officers and employés of the several mints, and for the general expenses of the same; and for bullion depos- its, purchases, and transfers	370	120,160	340,847,283 49
7. Transportation:			
Accounts for transportation of gold and silver coin and bull- ion, minor and base coin, United States currency, national- bank notes, complete and incomplete coin certificates, regis- tered and coupon bonds, mutilated currency, cancelled and incomplete securities, national-bank notes for redemption, stamp, paper, stationery, boxes, parcels, &c.	197	49,320	202,092 16
8. Congressional:			
Accounts for salaries of the officers and employés, and for con- tingent and other expenses of the United States Senate and House of Representatives	78	4,123	596,539 94
9. Outstanding Liabilities:			
Accounts arising from demands for payment of drafts and dis- bursing-officers' checks which have remained outstanding for three years, the funds from which they were payable having been covered into the Treasury	91	108	14,653 50
10. District of Columbia:			
Accounts of the Commissioners of the District of Columbia and general accounts between the United States and said District.	71	68,815	3,744,709 29
11. Public Printing:			
Accounts of the Public Printer for the salaries and wages of the employés of the Government Printing Office, for the pur- chase of materials for printing, and for contingent expenses of the Government Printing Office	156	16,729	2,619,600 67
12. Treasurer's General Accounts:			
Quarterly accounts of the Treasurer of the United States for receipts and expenditures, including receipts from all sources covered into the Treasury, and all payments made from the Treasury	4	49,453	957,197,117 12
13. Assistant Treasurers' Accounts:			
Accounts of the several assistant treasurers of the United States for the salaries of their employés and the incidental expenses of their offices	94	1,043	347,997 38
14. Miscellaneous:			
Accounts of the disbursing officers of the executive depart- ments for salaries of officers and employés, and contingent expenses of the same; accounts for salaries of Senators and Representatives in Congress; for salaries of the judges of the United States Supreme Court, United States circuit and district judges, district attorneys, and marshals; for salaries and contingent expenses of the National Board of Health; and for the expenses of the tenth census	3,283	119,771	11,282,970 53
Total from First Auditor	9,976	3,373,958	1,569,450,138 78

Kind.	No. of accounts.	No. of vouchers.	Amount in- volved.
FROM THE FIFTH AUDITOR.			
<i>15. Internal Revenue:</i>			
Accounts of collectors of internal revenue	567	47,560	\$804,964,913 58
Accounts of same acting as disbursing agents	926	39,591	3,397,293 92
Accounts of internal-revenue stamp agents	156	3,697	5,014,259 37
Miscellaneous internal-revenue accounts, such as direct tax accounts with commissioners and with the States; six differ- ent monthly accounts with the Commissioner of Internal Revenue for revenue stamps; accounts with the disbursing clerk of the Treasury Department for salaries of officers and employés in the office of the Commissioner of Internal Re- venue, and for the payment of internal-revenue gaugers; with the Secretary of the Treasury for fines, penalties, and for- feitures; with the Treasury Department for stationery; with revenue agents and distillery surveyors; drawback accounts; accounts for refunding taxes illegally collected; for the redemption of internal-revenue stamps; for the col- lection of legacy and succession taxes; for expenses of de- tecting and suppressing violations of internal revenue laws, including rewards therefor, &c.	2,314	40,508	972,775,693 57
<i>16. Foreign Intercourse:</i>			
Accounts for the salaries of ministers, chargés d'affaires, con- suls, commercial agents, interpreters, secretaries to lega- tions, and marshals of consular courts; accounts for the relief and protection of American seamen, for expenses of prisons in China and Japan, for contingent expenses of lega- tions and consulates, for salaries and expenses of legations and consulates, also, for those of mixed commissions, ac- counts of United States bankers in London, accounts of the disbursing clerk, Department of State, for miscellaneous diplomatic expenses, &c.	2,745	31,481	5,440,868 75
<i>17. Transportation:</i>			
Accounts for transportation of internal-revenue moneys to the sub-treasuries and designated depositories, and for the trans- portation of stationery, &c., to internal-revenue officers	22	7,818	4,925 51
Total from Fifth Auditor	6,730	170,055	1,291,597,894 70
FROM THE COMMISSIONER OF THE GENERAL LAND OFFICE.			
<i>18. Public Lands:</i>			
Accounts of surveyors-general and the employés in their offices	234	3,074	420,722 50
Accounts of deputy surveyors	497	1,204	1,388,203 05
Accounts of receivers of public moneys	431	15,073	6,058,139 12
Accounts of same acting as disbursing agents	380	2,141	491,290 41
Accounts for the refunding of purchase money paid for lands erroneously sold	533	2,795	43,088 41
Miscellaneous accounts, such as accounts with the several States for indemnity for swamp and overflowed lands erro- neously sold, and for 2 per cent., 3 per cent., and 5 per cent., upon the proceeds of sales of public lands; accounts of sur- veyors-general for the contingent expenses of their offices; accounts for the salaries and commissions of registers of local land-offices not paid by the receivers; accounts with the Kansas, Denver, Central, Northern, and Union Pacific Rail- roads, for the transportation of special agents of the General Land Office; accounts for printing and stationery furnished the several surveyors-general, registers and receivers; ac- counts of special agents of the Interior Department; accounts for the transportation of public moneys from the local land- offices to designated depositories; accounts for salaries and incidental expenses of agents employed to examine and verify public surveys; for the return of deposits in excess of the amount required for the survey of private land claims; for the transportation of stationery to the several district land- offices, &c.	338	2,590	306,709 89
Total from Commissioner of General Land Office	2,413	26,883	8,708,173 38

RECAPITULATION.

From—	Number.	Vouchers.	Amount involved.
First Auditor	9, 976	3, 373, 958	\$1, 566, 450, 133 73
Fifth Auditor	6, 730	170, 055	1, 291, 597, 894 70
Commissioner of General Land Office.....	2, 413	26, 883	8, 708, 173 38
Total.....	19, 119	3, 570, 896	2, 866, 750, 201 81

Requisitions for the advance of money from the Treasury, in the number following, have been examined and advances thereon recommended :

Internal revenue	1, 514
Foreign intercourse	1, 373
Judiciary	477
Public buildings	176
Mint and assay	379
District of Columbia	83
Territorial	49
Public printing	12
Miscellaneous	127

Total 4, 190

Official letters written	12, 701
Letters received, briefed, and registered.....	5, 264
Powers of attorney recorded	833
Official bonds registered and filed.....	225
Miscellaneous contracts and bonds received and registered.....	479
Internal-revenue collector's tax-list receipts recorded, scheduled, and referred.	1, 515
Orders of special allowances to collectors of internal-revenue recorded, scheduled, and referred	328
Internal-revenue special-tax stamp books counted and certified	5, 468
Internal-revenue tobacco-stamp books counted and certified.....	12, 029
Internal-revenue spirit-stamp books counted and certified.....	8, 474
Copies of accounts made, compared, and transmitted :	
Internal revenue	1, 674
Public lands	1, 113
	2, 787
Caveat cases (United States bonds)	47
Pages copied.....	8, 769

The foregoing statement omits mention of a large amount of official work which does not admit of systematic classification and detailed report, and yet has occupied much time and care; such as, *e. g.*, investigation of legal points arising in the adjustment of accounts, and the preparation of opinions and decisions printed under the authority of Congress; the examination of, and decision upon applications for the issuing of duplicate bonds and other securities lost and destroyed; examination of powers of attorney for collection of money due to creditors of the United States; decisions upon the rights of persons claiming to be executors, administrators, or heirs of deceased claimants, to receive money due from the United States; examination of official bonds; copying of letters forwarded; answering calls for information made by Congress, the Departments, and private persons; receiving and examining enrolment returns, and other work of a miscellaneous character.

RENEWAL OF THE ACT OF JUNE 14, 1878.

The fourth section of the act of June 14, 1878 (20 Stat., 130), provides that—

It shall be the duty of the several accounting officers of the Treasury to continue to receive, examine, and consider the justice and validity of all claims under appropria-

tions the balances of which have been exhausted or carried to the surplus fund under the provisions of said section that may be brought before them within a period of five years. And the Secretary of the Treasury shall report the amount due each claimant at the commencement of each session to the Speaker of the House of Representatives, who shall lay the same before Congress for consideration: *Provided*, That nothing in this act shall be construed to authorize the re-examination and payment of any claim or account which has been once examined and rejected, unless reopened in accordance with existing laws.

The "period of five years" mentioned in this section will expire June 14, 1883, before the Forty-eighth Congress will assemble. I respectfully recommend that you will call the attention of Congress to this subject, as it would seem proper that the provision above cited should be extended.

It may be well to consider whether it is not desirable that there should be a *permanent statute* authorizing the examination and report to Congress of all claims under appropriations, the balances of which have been exhausted or carried to the surplus fund, which may be brought before the proper accounting officers within five years after the appropriation was made, or, perhaps, more properly, within five years after the right of the claimant originated.

DISBURSING OFFICERS.

By existing law, most of the money with which disbursing officers make payments is placed to the credit, respectively, of these officers with an assistant treasurer or designated depository of the United States, and is disbursed on checks to the order of each claimant entitled to payment. When payment is thus made by check, a voucher is executed to the disbursing officer, and on such vouchers his accounts are settled. There is generally no settlement of an account by the accounting officer of the Treasury Department of the money so deposited.

It is possible that some, if not many, of the disbursing officers' checks may never be presented for payment, and there is no general mode of verifying the accuracy of the accounts of depositaries with disbursing officers.

I respectfully call attention to the subject, so that you may consider whether it is desirable to recommend to Congress that provision be made for the settlement of such accounts.

Under section 310, of the Revised Statutes the Secretary of the Treasury is every year in receipt of returns from the proper officers or designated depositaries, reporting outstanding balances to the credit of disbursing officers or agents which have remained unchanged on the books of their respective offices for three years.

Generally, in the cases thus reported, the disbursing officers have long before ceased to act in that capacity, and in many instances their accounts as such officers or agents have been adjusted and closed on the books of this Department.

Frequently, after a lapse of three years, in consequence of the death or unknown residence of the late disbursing officer, it is found impracticable to secure the returns from him, as contemplated by the last clause of said section, and therefore very difficult to determine to what fund or appropriation the reported outstanding balance belongs. To avoid the doubt and difficulty arising in such cases, I respectfully rec-

commend that said section 310 be amended by an additional provision, as follows:

Every disbursing officer of any Department of the Government, on rendering his account at the end of his term of service, shall report therewith whether or not any public funds remain standing to his credit, as such officer, in any office or bank or other depository; and if so, what checks, if any, have been drawn against the same or any part thereof, which are still unpaid and outstanding.

In this connection I respectfully call attention to the following extract, taken from the Report of the Secretary, dated December 2, 1878:

By an act approved March 3, 1857, public disbursing officers were required to place all public funds, intrusted to them for disbursement, on deposit with a public depository, and to draw for the same only in favor of the persons to whom payment was to be made, excepting that they might check in their own names when the payments did not exceed twenty dollars.

The enforcement of this provision, according to its letter, was found impracticable, and the attention of Congress was called to it in the annual reports of the Secretary for 1857 and 1858, with a recommendation for its modification.

No action in the matter appears to have been taken by Congress until the act of June 14, 1866, reproduced as section 3620 Revised Statutes, was passed. This appeared to supersede the act of 1857, in removing the restrictions as to the method in which the money was to be drawn; but by an act approved February 27, 1877, section 3620 has been amended by requiring the checks to be drawn only in favor of the persons to whom payments are to be made.

The object which the law evidently seeks to accomplish meets the entire approval of the department, but to carry its provisions into effect would require paymasters in the Army to draw their checks in favor of the soldiers to be paid, by name, and paymasters on naval vessels, even during absences for years from the United States, to pay the officers and men only by drawing checks in their favor, on depositaries in the United States.

The same embarrassment extends to all public disbursements, and the attention of Congress is called to the matter, with the recommendation that the section be so amended that disbursements may be made under regulations to be prescribed by the Secretary of the Treasury.

The difficulties presented by this statement remain, and hence attention is called to the subject. See Report Secretary of the Treasury of December 5, 1881, and Report of 1856-'57, page 24.

DEPUTY COMPTROLLER.

The usage in this office, which is probably required by law, has been that the First Comptroller, when present in person, countersigns all warrants and signs other official papers. I respectfully recommend that the Deputy Comptroller be authorized, under the direction of the Comptroller, to sign all official papers and countersign warrants, except, perhaps, "accountable warrants," which require the signature of the Secretary of the Treasury himself, when present.

As the duty of signing all official papers is, by law, imposed on the Deputy as Acting Comptroller in case of the Comptroller's absence, and as the time of the Comptroller, when present, is almost wholly required for the proper examination of questions of law and matters of official importance, there would seem to be no ground of objection to the measure proposed.

Under orders of the House of Representatives, a volume of the decisions of the Comptroller for the year 1880, and one for 1881, were printed, and copies will be furnished, fixed in number by law. In addition to these, fifty copies were distributed to the Departments in sheets, as originally printed under the authority of the Treasury Department. The Comptroller ordered printed, on his own account and expense, a limited number of copies, which can, if desired, be furnished

at cost to Departments, or be disposed of otherwise, if Congress, at its next session, shall so direct, but if not, they will be disposed of by the Comptroller.

Your attention is respectfully invited to the recommendations contained in my last annual report, the propriety of which seems to me to be confirmed by observation and experience during the past year.

I have the honor to be, very respectfully,

WILLIAM LAWRENCE,

First Comptroller.

Hon. CHAS. J. FOLGER,

Secretary of the Treasury.

REPORT OF SECOND COMPTROLLER OF THE TREASURY.

TREASURY DEPARTMENT,
SECOND COMPTROLLER'S OFFICE;
Washington, October 26, 1882.

SIR: In compliance with your direction, by letter of the 8th ultimo, I submit a report, in two tabular statements, of the transactions of this office during the fiscal year which ended on the 30th day of June, 1882.

The first tabular statement shows the total number of accounts, claims, and cases of every kind settled and adjusted and the amounts allowed thereon.

The second table furnishes a more detailed statement of the same accounts, claims, and cases, showing the character of the accounts, the source from which received, the number of each kind, and the amounts allowed. A still more detailed statement is prepared and filed for preservation in this office, but it is deemed too voluminous for publication.

NUMBER of CASES SETTLED.

From—	Number revised.	Amounts.
Second Auditor.....	9,460	\$20,721,028
Third Auditor.....	5,815	68,367,995
Fourth Auditor.....	1,898	17,337,419
Various sources not involving present expenditure.....	17,133	166,397,052
Total.....	3,566	366,022
	20,699	106,763,074

ACCOUNTS REVISED DURING the YEAR.

Character of the accounts.	Number revised.	Amounts allowed.
FROM SECOND AUDITOR.		
1. Of Army paymasters, for pay of the Army.....	520	\$11,144,956
2. Of disbursing officers of the Ordnance Department, for ordnance, ordnance stores, supplies, armories, and arsenals.....	161	1,307,473
3. Of disbursing officers of the Medical Department, for medical and hospital supplies and service.....	42	468,682
4. Of recruiting officers, for regular recruiting service.....	194	99,152
5. Of Managers of the Soldiers' Home.....	13	76,136
6. Of miscellaneous disbursements for contingent expenses of Army and Adjutant-General's Office, expenses of Commanding General's Office, Artillery School, &c.....	178	162,657
7. Of Indian agents' current and contingent expenses, annuities, and installments.....	2,632	6,982,891
Total.....	3,740	20,241,947

ACCOUNTS REVISED DURING the YEAR—Continued.

Character of accounts.	Number revised.	Amounts allowed.
FROM THIRD AUDITOR.		
1. Of disbursing officers of the Quartermaster's Department, for regular and incidental services	798	\$11,278,808
2. Of disbursing officers of the Subsistence Department	586	2,823,943
3. Of disbursing officers of the Engineer Department, for military surveys, fortifications, river and harbor improvements, &c.	87	6,955,759
4. Of pension agents for payment of Army pensions	227	44,630,454
Total	1,698	65,688,964
FROM FOURTH AUDITOR.		
1. Of paymasters of the Navy proper, including paymasters at navy-yards, and as navy agents and disbursing officers	206	15,760,176
2. Of disbursing officers and agents of the Marine Corps	10	584,800
3. Of Navy pension agents, for payment of pensioners of Navy and Marine Corps	109	788,087
4. Of miscellaneous naval accounts	205	22,832
Total	530	17,155,895

CLAIMS REVISED DURING the YEAR.

Character of claims.	Number.	Amounts.
FROM SECOND AUDITOR.		
1. Soldiers' pay and bounty	5,412	\$440,976
2. Miscellaneous claims, Pay Department	308	38,715
FROM THIRD AUDITOR.		
1. For lost property, paid under act of March 3, 1849	402	49,845
2. For quartermasters' stores and commissary supplies, paid under act of July 4, 1864	1,367	291,463
3. State war claims, act 1862, &c	8	477,115
4. For Army transportation	774	1,482,946
5. For miscellaneous claims	975	334,757
6. Oregon and Washington war claims	10	2,330
7. Of representatives of deceased pensioners	425	10,575
8. Claims revised and disallowed	156	.....
FROM FOURTH AUDITOR.		
1. For officers' and sailors' pay and bounty	1,271	179,062
2. For prize money	57	2,402
Total	11,465	3,310,246

CASES ADJUSTED, NOT INVOLVING PRESENT EXPENDITURE.

	Number.	Amounts involved.
1. Duplicate checks approved	447	\$27,257
2. Financial agents' accounts (Naval)	4	309,624
3. Referred cases adjusted and decided	2,312	.....
4. Special accounts (Army)	803	20,131
Total	3,566	366,022

Bonds filed during the year	88
Contracts filed during the year	1,955
Official letters written and copied	1,838
Requisitions countersigned and recorded	12,659
Settlements recorded	8,842
Differences recorded	3,423
Clerks employed, average	63½

The current work of the office is in a more advanced condition than it has previously been since the year 1861, the quantity of delayed current accounts having been steadily diminished each quarter year for several years past, with a corresponding diminution of time between their rendition and settlement; and, except in the settlement of the accounts and claims hereinafter specially referred to, the work of the office has been promptly dispatched during the year.

Owing to the effect of the decision of the Supreme Court of the United States in the case of Capt. R. W. Tyler *vs.* the United States, rendered at the October term, 1881, which changed the mode of computing the longevity increase payable to officers of the Army, a very great amount of additional work has devolved upon this office in the adjustment of Army officers' accounts.

In addition to the new work thus originated, it has been deemed necessary to enter upon the settlement of the accounts heretofore accrued in favor of the Soldiers' Home under the act of March 3, 1851 (section 4818, Revised Statutes), which grants to that institution all stoppages and fines adjudged against soldiers, all forfeitures on account of desertions, and the custody of the money of deceased soldiers remaining unclaimed for three years. It is estimated that the amount due to the Soldiers' Home on these accounts exceeds a million dollars, and that the settlement of these two classes of accounts will require labor more than equivalent to that of eight experts for a period of one year.

It also happens that the number of soldiers' bounty claims transmitted to this office for settlement during the last ten months is much in excess of those transmitted for similar periods within several years past.

The pressing necessity for early settlement of these three classes of claims has made it necessary to place upon them nearly all the force heretofore employed in the current work of settling paymasters' accounts; thirteen out of the fourteen men on duty in the Army pay division of the office being at present engaged thereon.

Whatever means can be lawfully taken to increase the number of experts in the revision of Army pay accounts thus accumulating in the office will be greatly to the advantage of the service.

Very respectfully,

W. W. UPTON,
Comptroller.

Hon. CHAS. J. FOLGER,
Secretary of the Treasury.

REPORT OF THE COMMISSIONER OF CUSTOMS.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF CUSTOMS,
Washington City, D. C., October 24, 1882.

SIR: I have the honor to submit herewith for your information a statement of the work performed in this office during the fiscal year ending June 30, 1882.

Number of accounts on hand July 1, 1881.....	184	
Number of accounts received from the First Auditor during the year....	5,707	
		5,891
Number of accounts adjusted during the year.....	5,790	
Number of accounts returned to the First Auditor.....	99	
		5,792
Number of accounts on hand June 30, 1882.....		139

There was paid into the Treasury from sources, the accounts relating to which are settled in this office:

On account of customs.....	\$220,410,730 25
On account of marine-hospital tax.....	406,103 59
On account of steamboat fees.....	279,889 30
On account of fines, penalties, and forfeitures.....	105,644 80
On account of storage, fees, &c.....	867,338 36
On account of deceased passengers.....	370 00
On account of emolument fees.....	368,822 74
On account of mileage of examiners.....	1,542 10
On account of interest on debts due.....	853 92
On account of rent of public buildings.....	3,143 75
On account of relief of sick and disabled seamen.....	2,112 10
On account of proceeds of government property.....	22,799 34
On account of miscellaneous items.....	59

Aggregate..... 222,469,350 84

And there was paid out of the Treasury on the following accounts, viz:

Expenses of collecting the revenue from customs.....	\$6,506,359 26
Excess of deposits.....	3,680,845 77
Debentures.....	2,092,907 27
Public buildings.....	2,365,353 31
Construction and maintenance of lights.....	2,392,147 12
Construction and maintenance of revenue-cutters.....	907,429 21
Marine-Hospital Service.....	468,120 16
Life-saving stations.....	598,624 59
Detection and prevention of frauds upon the customs revenue.....	43,471 24
Compensation in lieu of moiety.....	30,628 82
Protection of sea-otter hunting grounds and seal-fisheries in Alaska..	19,559 10
Seal-fisheries in Alaska.....	15,263 06
Inspecting neat cattle shipped to foreign ports.....	10,475 67
Metric standard weights and measures.....	7,747 78
Distribution of standard weights and measures for use of collectors..	7,800 00
Unclaimed merchandise.....	2,203 63
Report of taxation upon ship-owners under State laws.....	1,000 00
Debentures and other charges.....	179 45
Refunding money erroneously received and covered into the Treasury	172 85
Extra pay to officers and men in Mexican war—revenue marine.....	156 00
Relief of officers and crew of whaling barks Mount Wallaston and Vigilant.....	6,000 00
Relief of Sidney P. Luther.....	85 00
Relief of Timothy E. Ellsworth.....	2,580 50

Aggregate..... 19,159,109 79

Number of estimates received and examined.....	2,717
Number of requisitions issued.....	2,717
Amount involved in requisitions.....	\$15,729,303 61
The number of letters received.....	11,709
The number of letters written.....	10,447
The number of letters recorded.....	6,843
The number of stubs of receipts for duties and fees returned by collectors.....	246,802
The number of stubs examined.....	223,978
The number of stubs of certificates of payment of tonnage dues received and entered.....	8,061
The number of returns received and examined.....	77,369
The number of oaths examined and registered.....	2,578
The number of appointments registered.....	3,680
The average number of clerks employed.....	30

I inclose herewith a statement of the transactions in bonded goods during the year ending June 30, 1882, as shown by the adjusted accounts.

I am, very respectfully, your obedient servant.

H. C. JOHNSON.

Commissioner of Customs.

The SECRETARY OF THE TREASURY.

STATEMENT of WAREHOUSE TRANSACTIONS at the several DISTRICTS and PORTS of the UNITED STATES for the year ending June 30, 1882.

Districts.	Balance of bonds to secure duties on goods remaining in warehouse July 1, 1881.	Warehoused and bonded.	Rewarehoused and bonded.	(Constructively warehoused.	Increase of duties ascertained on liquidation.	Withdrawal, duty paid.	Withdrawal, for transportation.	Withdrawal, for exportation.	Allowances and deficiencies.	Balance on bonds to secure duties on goods remaining in warehouse July 1, 1882.
Albany	\$151,266 13	\$451,978 88	\$18,376 16	\$130,922 03	\$3,529 45	\$150,922 03	38,403 50	\$70,520 11	\$106,847 24	\$105,453 19
Baltimore	75 00	1,658 49	14,889 04	14,889 04	23 35	1,780 47	4,312 01	10,577 03	506 25	177 12
Bangor	379 19	7,884 50	1,064 56	1,064 56		108 51	63 12	8,618 65		722 24
Barnstable	42,654 77	17,684 96	71,088 26	5,327 07	83 83	36,650 00	354 91	242 31	49,661 14	51,721 13
Bath	1,649 15			282 05		1,902 20				16,115 55
Beaumont, N. C.	52,457 60					56,322 05				3,283,492 91
Beaufort, N. C.	4,798,929 17	12,991,263 27	65,985 39	2,756,411 76	285,774 35	12,755,788 57	126,346 15	2,610,519 03	656,455 27	10,620 45
Boston and Charlestown	255,353 65	237,067 16	235,321 03	25,373 64		1,607 49	18,483 83	518,366 64	7 63	
Brazos de Santiago							8,686 23			
Brownsville		3,830 53	3,367 22	8,956 23	31 63	15,602 53	134,398 64	429,751 94		
Buffalo Creek	2,264 83		3,736 57	386,916 99		185 74		1,673 77		
Bohler	2,211 78			18,201 26		47 20		11,161 88		
Cape Vincent			2,163 51		4 08	7,963 10	298,266 68	30,007 29	2,886 21	2,401 17
Castine	67 25			227,182 52	20 08	112 16				602 07
Castroville	9,785 89	10,810 91		3,291 15	42 30					70 08
Charleston	2,331 54		2,847 33		5,975 04	21,927 45		1,157 89		1,369 39
Charlottesville			21,927 45							
Chicago	173,617 74	890,548 51	119,781 89	273,110 81	19,768 56	1,041,493 19	11,197 89	292,157 34	4,359 69	217,089 37
Chillicothe	25,969 26	74,724 41	11,385 76	44,648 65		1,840 10	5,678 00	3,322 44	306,443 68	91 53
Cincinnati	4,676 58	287,569 97	22,106 49	7,373 30	497 53	3,617 14	7,573 30	320,311 40	4 65	2,031 02
Cornwall, N. Y.	3,636 97	3,368 97		3,159 16	49 13	13,318 77				1,688 55
Danville	1,363 46	19,376 11	19,376 11	1,835,579 55	634 79	26,597 80	8,133 45	1,802,601 70	04	31,174 69
Delaware	53,476 08	52,937 54		1,835,579 55		105,862 21	1,166 36	1,634,426 92		646 63
Detroit		8,857 77	8,857 77	1,088,402 64		866 80				6,419 20
Duluth				35 95		15 92				47 20
Dunkirk										
Durham		13,781 63	6,419 26	4,368 46		18,150 09				4,936 40
Essex				845 46						230 20
Franksville				38,343 45		38,513 45				135,448 21
Freeport	7,112 12	27,491 03	1,899 75	56 00	12 47	30,349 22	36 60	1,841 21	1,629 50	7,338 90
Frederick	440 54				15 45	211 33				7,948 08
Freeport's Bay										4,358 27
Gadsden	13,672 03	296,790 44	1,298 25	92,496 64	847 49	132,200 72	2,352 48	15,388 94		295 10
Galesburg	4,780 35	9,314 75	5,700 86	3,674 73		11,858 41	969 24		1,634 00	1,118 67
Geneseo	11,531 20	32,901 36	11,981 17		158 27	294 11	667 10	46,671 71		69 90
Greenport	1,496 28	1,976 09	254 37	1,333 55	51 76	3,850 62		3,325,424 78		295 10
Huon				8,508,327 26	69 90					
Indianapolis		295 10	295 10	16,968 12	8 74	16,956 86				295 10
Indianapolis				252 51				252	2,322 34	

STATEMENT of WAREHOUSE TRANSACTIONS at the several DISTRICTS and PORTS of the UNITED STATES, &c.—Continued.

Districts.	Balance of bonds to secure duties on goods remaining in warehouse July 1, 1881.	Warehoused and bonded.	Rewarhoused and bonded.	Constructively warehoused.	Increase of duties ascertained on liquidation.	Withdrawal, duty paid.	Withdrawal, for transportation.	Withdrawal, for exportation.	Allowances and deficiencies.	Balance on bonds to secure duties on goods remaining in warehouse July 30, 1882.
Key West.....	\$27,505 02	\$193,854 20	\$0,823 43	\$2,251 22	\$3,726 28	\$176,070 84	\$12,095 55	\$899 24	\$1,252 30	\$16,842 23
Louisville.....	7,507 77	10,992 08	3,300 60	3,016 92	87 30	18,733 97		10 45		6,760 34
Marblehead.....										
Memphis.....		80 00	792 75	3,744 54		4,037 58		97 50	40	1,713 32
Miami.....				11,348 53		1,348 13				
Michigan.....				1,065 25		1,065 25				
Middletown.....	5,915 08	3,288 49	36,858 46	4,316 33		41,706 40	720 90			7,361 37
Milwaukee.....	1,368 19	10,284 25	1,531 86	178,162 49	11 21	30,292 13	491 40	158,455 70	570 10	2,298 75
Minnesota.....	2,376 82	17,910 43	2,015 62	258,556 50	88 16	10,493 79	32,406 51	234,075 13	2	4,072 19
Mobile.....	5,400 34		545 82	1,898 80	20	8,078 62				1,190 54
Montana and Idaho.....				2,721 03		532 76		2,188 27		
Nashville.....	783 04		733 00	1,318 25	1	1,978 10			123 30	733 00
Newburyport.....	2,370 54		5,610 09	36 13		4,494 82		36 13	4,494 82	2,925 81
New Haven.....	21,751 40	327,812 33	3,389 88	41 20		302,893 47	6,902 44	241 82	60 68	42,366 40
New Bedford.....	2,217 80	6,435 65	1,189 04	28,172 42		34,368 85	1,647 80	211 64	977 40	809 22
New Orleans.....	231,824 51	750,201 45	1,290 53	1,559,483 16	45,125 98	533,716 97	1,484,249 85	272,369 14	43,323 39	280,264 28
New York.....	17,331,052 75	47,764,594 15	554,514 15	13,813,711 61	1,326,652 74	47,490,807 25	1,053,157 82	15,169,450 88	2,046,556 72	15,030,552 76
Niagara.....				1,678,369 32		221,816 46		1,456,552 86		
Newark.....				3,573 06		3,573 06				
New London.....	107 64	16,208 56	21,927 45	10 76		10,291 36	21,927 45			6,290 86
Norfolk and Portsmouth.....										
Omaha.....	260 63		824 60	2,538 71	25 86	3,323 20				326 60
Oregon (Oct. 1, 1872, to June 30, 1882).....										
Oswego.....	6,123 65	2,117 79		6,424 70		6,424 70				
Oswego.....	5,593 95	806,231 00	5,898 30	203,971 41	14 26	2,650 95	38,077 08	169,636 55		371 53
Pasadenaport.....	2,154 75	10,381 61	1,350 49	93,258 74		385,280 30	519,690 40	14 35		5,976 65
Pasadenaport.....				11,949 06		3,879 62	14,384 34	6,429 55		4,383 00
Perth Amboy.....	44,732 25	2,417 70	3,556 80	176,559 48	31 70	54,518 30	17,485 08	176,559 48		1,778 50
Philadelphia.....	1,016,197 87	4,367,227 45	28,128 38	5,568 35		4,646,010 16		27,297 48	129,744 37	908,928 08
Pittsburgh.....	44,232 42	44,348 49	53,374 07	204,346 72	38 04	106,292 63				24,619 15
Plymouth.....	28,510 59	11,017 71	3,543 04	38,753 24		29,008 49		74 88		26,119 15
Portland and Falmouth.....	176,525 71	565,880 98	74,255 79	3,276,375 39	49 84	586,143 18	7,267 91	3,326,864 36	11,007 56	155,814 30
Providence.....	1,276 92	57,484 39	57,484 39	17,886 37		30,887 50	12 00	812 81		48,211 52
Puget Sound.....	11,148 99	15,873 89	15,554 25	3,163 86	158 31	32,454 64			50	13,444 16
Seco.....				463 50				463 50		
				33 12				33 12		

Salem and Beverly	327 00	4,824 83	160,149 38	32 70	4,143 17	443 56	597 80
San Diego	.....	676 74	683,129 55	40,456 98	2,639,540 02	2,296 74	.....
San Francisco	1,065,021 79	2,783,971 75	683,129 55	64 00	6,243 80	789,512 01	551,204 03
Savannah	522 35	8,478 47	3,594 05	407 94	892,126 43	2 00	6,362 21
Saint Louis	31,738 32	60,428 13	1,354,664 28	.....	130 19	367,454 22	33,362 53
Superior	.....	.....	130 39	.....	201,885 62	.....	.....
Vermont	77 60	13,079 05	864,912 10	931 74	274 80	2,489 38	1,922 49
Waldborough	2,206 07	5,740 23	892 27	1 00	145 12	4,969 53	8,605 40
Wheeling	.....	.....	145 12	.....	.....	.....	.....
Williamette	9,845 73	91,530 03	9,358 86	122 78	86,060 01	.....	.....
Wiscasset	1,636 43	4,933 70	.....	.....	48 77	1	28,462 74
Wilmington, N. C.	415 98	4,636 38	.....	229 04	28,059 01	457 58	1,939 33
York	.....	23 52	.....	.....	.....	23 52	.....
Total	65,938,928 75	138,811,355 02	3,330,455 79	3,728,174 18	148,600,694 71	6,038,051 64	49,898,737 59

RECAPITULATION.

Balance due July 1, 1881	.....	\$65,928,928 75	Withdrawal duty paid	.....	\$148,600,694 71
Warehouses and bonded	.....	138,811,355 02	Withdrawal for transportation	.....	10,157,636 45
Warehouses and bonded	.....	3,330,455 79	Withdrawal for exportation	.....	66,052,804 35
Constructively warehoused	.....	68,949,011 00	Allowances and deficiencies	.....	6,038,051 64
Increase of duties ascertained on liquidation	.....	3,728,174 18	Balance due June 30, 1882	.....	49,898,737 59
Total	.....	280,747,924 74	Total	.....	280,747,924 74

TREASURY DEPARTMENT, OFFICE COMMISSIONER OF CUSTOMS,
October 24, 1882.

H. C. JOHNSON,
Commissioner of Customs.

REPORT OF THE FIRST AUDITOR OF THE TREASURY.

TREASURY DEPARTMENT,
FIRST AUDITOR'S OFFICE,
Washington, October 17, 1882.

SIR: I have the honor to submit the following exhibit of the business transacted in this office during the fiscal year ending June 30, 1882:

Accounts adjusted.	Number of accounts.	Amount.
RECEIPTS.		
Duties on merchandise and tonnage.....	1,426	\$217,547,047 93
Steamboat fees.....	1,256	327,459 12
Fines, penalties, and forfeitures.....	767	120,923 47
Marine-hospital money collected.....	1,501	343,003 88
Official emoluments of collectors, naval officers, and surveyors.....	1,191	1,018,784 48
Moneys received on account of deceased passengers.....	51	1,190 00
Moneys received from sales of old materials, &c.....	249	340,110 35
Miscellaneous receipts.....	698	988,717 31
Moneys retained from Pacific railroad companies for accrued interest on bonds.....	12	810,833 80
Treasurer of the United States, for moneys received.....	5	604,560,683 14
Mints and Assay Offices.....	25	147,593,326 82
Water rents, Hot Springs, Arkansas.....	12	5,391 09
Total.....	7,193	973,657,471 39
DISBURSEMENTS.		
Expenses of collecting the revenue from customs.....	1,663	6,481,128 52
Detection and prevention of frauds on customs revenue.....	7	32,553 56
Debitures, drawbacks, &c.....	185	1,080,026 03
Excess of deposits refunded.....	504	2,240,989 25
Revenue-cutter service.....	534	743,490 61
Duties refunded, fines remitted, judgments satisfied, &c.....	1,323	1,552,194 53
Marine-Hospital Service.....	1,145	451,977 59
Official emoluments of collectors, naval officers, and surveyors.....	1,166	813,195 81
Awards of compensation.....	161	25,050 04
Light-House establishment, miscellaneous.....	28	9,117 67
Salaries of light-house keepers.....	101	558,969 28
Supplies of light-houses.....	103	311,614 77
Repairs of light-houses.....	86	276,396 65
Expenses of light-vessels.....	36	222,623 57
Expenses of buoyage.....	83	306,369 88
Expenses of fog signals.....	57	53,042 74
Expenses of lighting and buoyage of the Mississippi, Missouri, and Ohio Rivers.....	29	187,277 32
Expenses of inspection of lights.....	15	3,512 19
Steam-tenders and light-ships for Light-House-Service.....	10	140,209 20
Commissions to superintendents of lights.....	3	14,495 24
Salaries and mileage of Senators.....	6	434,885 83
Salaries, officers and employes, Senate.....	18	258,618 89
Salaries and mileage members and delegates, House of Representatives.....	1	731,461 44
Salaries, officers and employes, House of Representatives.....	72	291,364 94
Salaries of employes, Executive Mansion.....	5	41,079 96
Salaries paid by disbursing clerks of the Departments.....	301	5,898,459 57
Salaries, officers and employes, Independent Treasury.....	46	336,905 51
Salaries of the civil list, paid directly from the Treasury.....	1,951	571,751 25
Salaries, office of the Public Printer.....	4	13,600 00
Salaries, Bureau of Engraving and Printing.....	12	25,993 36
Salaries, Congressional Library.....	8	44,372 64
Salaries, standard weights and measures.....	4	4,273 55
Salaries, Steamboat-Inspection Service.....	7	251,026 39
Salaries, special agents, Independent Treasury.....	5	2,697 38
Salaries, custodians and janitors.....	6	89,001 90
Salaries, Agricultural Department.....	4	76,671 73
Salaries, Botanic Garden.....	5	10,307 04
Salaries and expenses, National Board of Health.....	9	101,570 05
Salaries of employes, public buildings and grounds.....	5	38,969 13
Contingent expenses, Executive Mansion.....	6	12,514 29
Contingent expenses, United States Senate.....	42	151,287 77
Contingent expenses, House of Representatives.....	44	187,455 99
Contingent expenses, Departments, Washington.....	528	463,992 37
Contingent expenses, Independent Treasury.....	217	99,132 66
Contingent expenses, Steamboat-Inspection Service.....	896	38,183 75
Contingent expenses, public buildings and grounds.....	3	512 63
Contingent expenses, office of Public Printer.....	9	1,500 62

Accounts adjusted.		Number of accounts.	Amount.
DISBURSEMENTS—Continued.			
Contingent expenses, National Currency, reimbursable.....	50	\$47,731 48	
Contingent expenses, Court of Claims.....	4	4,973 37	
Contingent expenses, Library of Congress.....	4	1,391 40	
Contingent expenses, executive offices, Territories.....	7	2,182 18	
Contingent expenses, Department of Agriculture.....	6	12,496 80	
Contingent expenses, Mints and Assay Offices.....	101	5,068 82	
Stationery, Interior Department.....	7	57,711 26	
Treasurer of the United States, for general expenditures.....	5	555,319,437 21	
Gold and silver bullion account.....	13	143,858,039 98	
Ordinary expenses, Mints and Assay Offices.....	94	1,536,950 07	
Parting and refining bullion.....	24	327,851 02	
Coinage of standard silver dollars.....	59	171,369 47	
Freight on bullion and coin.....	10	59,892 60	
Transportation of silver coin.....	7	13,859 20	
Storage of silver dollars.....	6	17,281 02	
Fixtures and apparatus, assay office, Saint Louis.....	19	6,506 12	
Manufacture of medals.....	1	25,498 23	
Legislative expenses, Territories of the United States.....	12	63,164 80	
Defending suits in claims against the United States.....	5	29,743 59	
Examination of rebel archives.....	3	5,753 75	
Collecting mining statistics.....	31	4,598 71	
Geodetic and Coast Survey of the United States.....	32	585,199 20	
Geological survey of the Territories and salary of Director.....	27	180,905 42	
Illustrations for report on geological survey of the Territories.....	6	6,080 11	
Lands and other property of the United States.....	12	4,375 24	
Protection and improvement of Hot Springs, Arkansas.....	14	8,633 18	
Expenses of collecting rents, Hot Springs.....	3	1,165 47	
Reproducing plats of surveys, General Land Office.....	6	24,942 00	
Adjusting claims for indemnity for swamp lands.....	7	16,453 57	
Protection and improvement of Yellowstone Park.....	7	16,203 78	
Commission to classify land and codify land laws.....	1	586 59	
Depredations on public timber.....	7	41,228 66	
Reclamation of arid and waste lands.....	3	19,533 14	
North American Ethnology, Smithsonian Institution.....	8	41,772 71	
Polaria report, Smithsonian Institution.....	12	2,215 30	
Judicial expenses, embracing accounts of United States marshals, district attorneys, clerks and commissioners, rent of court-houses, support of prisoners, &c.....	5,381	3,913,974 87	
Prosecution of crimes.....	5	15,512 36	
Suppressing counterfeiting and crime.....	28	97,058 79	
Investigation of frauds, Office of Commissioner of Pensions.....	6	63,319 30	
INTEREST ACCOUNT.			
Registered stock.....	37	56,780,922 42	
Coupons.....	104	11,364,550 03	
District of Columbia, Washington, Georgetown, and corporation bonds.....	11	493,148 18	
Navy pension fund.....	1	210,000 00	
Louisville and Portland Canal Company's bonds.....	2	10,970 00	
REDEMPTION ACCOUNT.			
United States bonds, called:			
Principal.....	13	80,352,550 00	
Interest.....		1,487,691 91	
United States bonds, purchased for sinking fund:			
Principal.....	14	73,321,900 00	
Interest.....		653,272 85	
Refunding certificates:			
Principal.....	12	218,300 00	
Interest.....		23,441 29	
Certificates of deposit.....	26	16,451,110 00	
District of Columbia stock:			
Principal.....	7	248,200 00	
Interest and premium.....		35,287 14	
Louisville and Portland Canal Company's bonds.....	1	15,889 00	
Notes, one and two years, compound interest and 7-30s:			
Principal.....	43	17,840 00	
Interest.....		2,726 85	
Legal-tender notes destroyed.....	9	39,921,872 00	
Fractional currency destroyed.....	9	31,285 00	
Old demand notes destroyed.....	7	795 00	
Redemption, worn and mutilated United States notes.....	15	22,502 68	
Refunding the national debt.....	3	411 07	
Expenses of national currency.....	56	155,971 83	
Examination of national banks and bank notes.....	5	79 45	
Judgments of the Court of Claims.....	31	595,381 17	
Reporting decisions of the Court of Claims.....	1	1,000 00	
Outstanding drafts and checks.....	107	15,993 95	

Accounts adjusted.	Number of accounts.	Amount.
DISBURSEMENTS—Continued.		
Post-Office Department requisitions	2	\$133,923 67
Postage	30	143,658 15
Life-saving Service	90	471,416 70
Life-saving Service, contingent expenses	48	36,691 88
Establishing life-saving stations	23	29,641 34
Public printing and binding	154	1,345,160 67
Telephonic connection between the Capitol and Government Printing Office	7	193 00
Telegraph between the Capitol, Departments, and Government Printing Office	4	939 67
Labor and expenses of engraving and printing	19	1,258 918 86
Propagation of food-fishes	23	116,502 70
Illustrations for report on food-fishes	1	37 32
Inquiry respecting food-fishes	3	2,000 58
Steam vessels (food-fishes)	5	1,894 61
Construction of fish pond on Monument lot	11	4,113 08
Fish-hatching establishment	4	9,369 81
Increase of Library of Congress	10	17,024 86
Furniture for Library of Congress	2	260 50
Joint Select Committee to provide additional accommodations for Library of Congress	5	2,870 00
Works of art for the Capitol	5	876 72
Library, Treasury Department	12	471 73
Construction of custom-houses	263	1,312,285 11
Construction of court-houses and post-offices	282	786,571 10
Construction of appraisers' stores	14	31,334 94
Construction of sub-treasury building, New York	12	22,781 56
Construction of National Museum	20	380,511 54
Construction of building for State, War, and Navy Departments	9	2,896 31
Construction of barge office, New York	164	505,265 22
Construction of building for Bureau of Engraving and Printing	12	9,580 70
Construction of extension of Government Printing Office	4	35,298 80
Construction of marine hospitals	1	1,800 00
Construction of sub-treasury building, San Francisco	12	3,061 79
Construction of penitentiary building, Dakota	5	533 45
Construction of assay offices	12	3,084 01
Construction and repair of revenue steamers	14	62,849 88
Plans for public buildings	7	4,121 03
Completion of Washington Monument	9	135,966 18
Reconstruction of Interior Department building	5	73,618 64
Repairs of the Interior Department building	5	15,307 59
Repairs, fuel, &c., Executive Mansion	6	50,285 64
Annual repairs of the Capitol	4	52,130 53
Annual repairs of the Treasury building	15	38,989 15
Repairs and preservation of public buildings	23	144,192 17
Fire-proof roof, building corner of Seventeenth and F streets	5	14,527 23
Rent of buildings in Washington	32	66,260 00
Lighting, &c., Executive Mansion	4	15,178 41
Lighting the Capitol grounds	5	28,875 69
Fuel, lights, and water for public buildings	70	252,612 27
Fuel, lights, &c., Department of the Interior	5	9,356 92
Furniture and repairs of same, public buildings	37	191,620 39
Vaults, safes, and locks for public buildings	7	46,366 00
Heating apparatus for public buildings	20	96,424 47
Heating apparatus for Senate	3	2,453 64
Improvement and care of public grounds	5	47,760 21
Improving Capitol grounds	5	59,347 43
Retained percentages, improving Capitol grounds	3	4,487 77
Constructing elevator, Executive Mansion	2	2,000 00
Elevator in House wing of Capitol	3	6,983 19
Repair of building on Tenth street	3	1,050 00
Purchase of Freedman's Bank building	1	250,000 00
Improving Botanic Garden and buildings	8	11,958 64
Improving grounds, Agricultural Department	4	7,621 50
Washington Aqueduct	4	17,887 07
Repairs of water-pipes and fire-plugs	5	1,785 88
Constructing, repairing, and maintaining bridges, District of Columbia	5	2,717 66
Agricultural Department, experimental garden	4	6,895 91
Agricultural Department, library	4	891 32
Agricultural Department, museum	3	473 30
Agricultural Department, laboratory	4	2,510 19
Agricultural Department, furniture, cases, &c.	4	3,939 63
Agricultural Department, collecting statistics	6	11,149 11
Agricultural Department, purchase and distribution of valuable seeds	7	92,894 48
Commission to report on the cotton worm and Rocky Mountain locust	3	8,064 44
Investigating diseases of swine and other domestic animals	5	18,890 22
Investigating the history of insects injurious to agriculture	9	21,150 27
Machinery and experiments in the manufacture of sugar	2	11,788 73
Experiments in the culture of tea	4	7,051 54
Examination of woods and animal fibers	4	5,788 54

Accounts adjusted.	Number of accounts.	Amount.
DISBURSEMENTS—Continued.		
Report on forestry.....	6	\$5,224 84
Data respecting agricultural needs of arid regions, United States.....	1	2,423 25
Transportation, agricultural and mineral specimens to Atlanta, Ga.....	1	715 45
Building for Department of Agriculture.....	1	3,147 84
Preparation of receipts, expenditures, and appropriations of the government..	12	6,545 47
Centennial celebration, Groton Heights.....	1	5,000 00
Centennial celebration, Yorktown.....	7	19,128 50
Yorktown Monument.....	2	3,587 90
Maps of the United States.....	3	11,999 75
Transportation of maps and reports to foreign countries.....	2	490 82
Distinctive paper for United States securities.....	9	36,027 39
Checks and certificates of deposit.....	23	13,684 10
Captured and abandoned property.....	1	1,125 61
Reform School, District of Columbia.....	5	44,922 83
Freedman's Hospital and Asylum.....	5	42,884 82
Government Hospital for the Insane, buildings, &c.....	5	26,114 85
Government Hospital for the Insane, current expenses.....	8	281,570 80
Columbia Institution for the Deaf and Dumb, buildings, &c.....	5	9,369 49
Columbia Institution for the Deaf and Dumb, current expenses.....	4	52,350 73
Columbia Hospital for Women.....	5	19,579 03
Howard University.....	4	10,255 00
Saint Ann's Infant Asylum.....	4	5,001 58
Children's Hospital.....	4	5,002 56
National Association for the Relief of Colored Women and Children.....	4	6,882 97
Women's Christian Association.....	4	5,184 60
Industrial Home School.....	6	12,097 17
Maryland Institution for the Instruction of the Blind.....	4	4,825 00
Miscellaneous.....	323	300,403 80
Transfers by warrant and counter-warrant.....	2	18,003 41
DISTRICT OF COLUMBIA ACCOUNTS.		
Refunding taxes.....	5	3,472 05
Washington redemption fund.....	5	1,930 05
Redemption of tax-lien certificates.....	12	4,172 81
Relief of the poor.....	8	11,377 62
Support and medical treatment of infirm poor.....	8	4,909 53
Employment of the poor.....	5	19,934 03
Relief of Thomas Lucas.....	1	2,741 89
Salaries and contingent expenses.....	47	111,938 58
Improvement and repairs.....	20	80,826 24
Washington Asylum.....	20	51,478 78
Georgetown Almshouse.....	21	2,926 70
Government Hospital for the Insane.....	23	104,751 25
Transportation of paupers and prisoners.....	24	5,254 23
Reform School.....	11	12,786 81
Public schools.....	14	485,862 44
Metropolitan police.....	33	379,472 29
Fire department.....	27	136,773 78
Courts.....	16	2,768 28
Streets.....	15	248,300 80
Health department.....	28	40,974 47
Miscellaneous and contingent expenses.....	23	45,703 00
Washington Asylum, building and grounds.....	8	8,200 00
Markets.....	20	14,763 76
Washington special-tax fund.....	5	11,972 44
Payment of the Linthicum loan.....	2	40,000 00
Water fund.....	12	94,589 71
Judgments.....	2	442 10
Industrial Home School.....	11	4,918 28
Constructing, repairing, and maintaining bridges.....	30	6,490 71
Total.....	20,802	1,025,640,807 75

Number of certificates recorded.....	15,179
Number of letters recorded.....	4,501
Judiciary emolument accounts registered and referred.....	538
Number of powers of attorney for collection of interest on the public debt examined, registered, and filed.....	3,568
Requisitions answered.....	1,019

SUMMARY STATEMENT of the WORK of the OFFICE, as shown by the REPORTS of the various DIVISIONS and MISCELLANEOUS DESKS.

CUSTOMS DIVISION.

Comprising the accounts of Collectors of Customs for Receipts of Customs Revenue and Disbursements for the Expenses of Collecting the same, and also including Accounts of Collectors for Receipts and Disbursements in connection with the Revenue-Cutter, Steamboat, Fines, Light-House, and Marine Hospital Services, with Accounts for Official Emoluments, Debentures, Refunds of Duties, Sales of Old Materials, and Miscellaneous Disbursements.

	Number of accounts.	Amount.
Receipts	7, 112	\$220, 357, 057 96
Disbursements.....	6, 320	13, 085, 141 82
Total.....	13, 432	233, 442, 199 78

JUDICIARY DIVISION.

Comprising the Accounts of District Attorneys, Marshals, Clerks, and Commissioners, Rents, and Miscellaneous Court Accounts.

	Number of accounts.	Amount.
Disbursements.....	5, 581	\$3, 913, 974 87

PUBLIC DEBT DIVISION.

Public Debt Division, comprising all Accounts for Payment of Interest on the Public Debt, both registered Stock and Coupon Bonds, Interest on District of Columbia Bonds, Pacific Railroad Bonds, Louisville and Portland Canal Bonds, Navy Pension Fund, Redemption of United States and District of Columbia Bonds, Redemption of Coin and Currency Certificates, Old Notes and Bounty Scrip, and Accounts for Notes and Fractional Currency Destroyed.

	Number of accounts.	Amount.
Interest accounts	155	\$68, 859, 590 69
Redemption accounts	141	212, 102, 092 04
Total	296	280, 961, 682 73

WAREHOUSE AND BOND DIVISION.

STATEMENT of TRANSACTIONS in BONDED MERCHANDISE, as shown by ACCOUNTS ADJUSTED during the fiscal year ending June 30, 1882.

Number of accounts adjusted.....	1, 155	
Number of reports of "No transactions" received, examined, and referred.....	526	
Balance of duties on merchandise in warehouse per last report.....		\$22, 635, 319 44
Duties on merchandise warehoused		58, 954, 624 04
Duties on merchandise rewarehoused		1, 506, 284 65
Duties on merchandise constructively warehoused.....		28, 681, 561 64
Increased and additional duties, &c		1, 523, 343 51
Total		113, 301, 138 28

Contra:

Duties on merchandise withdrawn for consumption.....	\$64,863,899 40
Duties on merchandise withdrawn for transportation.....	4,565,048 16
Duties on merchandise withdrawn for exportation.....	27,092,954 44
Allowances for deficiencies, damage, &c.....	2,284,882 72
Duties on withdrawals for construction and repair of vessels.....	180,437 81
Duties on bonds delivered to district attorneys for prosecution.....	2,488 07
Balance of duties on merchandise in warehouse	14,305,427 68
Total	113,301,138 28

MISCELLANEOUS DESKS.

No. 1.—Comprising Accounts of Disbursing Clerks of the Departments for Salaries, Salary Accounts of the various Assistant Treasurers, and of the Congressional Library, Public Printer, and Executive Office, Accounts for Salaries of the Officers and Employees, House of Representatives, and the Accounts relating to the Coast Survey.

	Number of accounts.	Amount.
Disbursements	418	\$7,292,272 31

No. 2.—Comprising the Accounts of the Disbursing Clerks of the Departments for Contingent Expenses, Contingent Expenses of the House of Representatives and Assistant Treasurers, Accounts of the Bureau of Engraving and Printing, Geological Survey, National Board of Health, Reform School, New Building for State, War, and Navy Departments, and a very great Number of Miscellaneous Accounts. The accounts on this desk during the last fiscal year covered two hundred and one different appropriations.

	Number of accounts.	Amount.
Receipts.....	12	\$5,391 09
Disbursements	1,117	4,926,418 93
Total	1,129	4,931,810 02

No. 3.—Comprising Accounts for Construction of Custom-Houses, Post-Offices, Court-Houses, and other Public Buildings; Accounts of Light-House Engineers and Inspectors; Accounts of the Public Printer; Steamboat Inspection and Life-Saving Service; the Accounts of the Government Hospital for the Insane, Columbia Hospital for Deaf and Dumb, and many Charitable Institutions.

	Number of accounts.	Amount.
Receipts.....	33	\$1,067,676 07
Disbursements	2,790	8,194,051 31
Total	2,823	9,261,727 38

No. 4.—Comprising the Account of the Treasurer of the United States for General Expenditures; the Salary and Mileage Accounts for the Senate and House of Representatives, and the Accounts for Contingent Expenses of the United States Senate.

	Number of accounts.	Amount.
Receipts.....	5	\$604,560,683 14
Disbursements	60	556,870,691 14
Total	65	1,161,431,374 28

No. 5.—Comprising the Accounts of Mints and Assay Offices; Salaries of the Civil List paid directly from the Treasury on First Auditor's Certificates, Captured and Abandoned Property Accounts; Accounts for the Legislative and Contingent Expenses of the United States Territories and Transportation of United States Securities.

	Number of accounts.	Amount.
Receipts.....	31	\$147,666,663 13
Disbursements.....	2,444	146,805,275 25
Total.....	2,475	294,471,938 38

No. 6.—Comprising the Accounts of the District of Columbia.

	Number of accounts.	Amount.
Disbursements.....	465	\$1,941,114 39

No. 7.—Under the Chief of the Warehouse and Bond Division, and Comprising Judgments of the Court of Claims, Outstanding Liabilities, Postal Requisitions, Transfer of Appropriations, &c.

	Number of accounts.	Amount.
Disbursements.....	1,311	\$1,650,185 00

The foregoing exhibits and enumeration of the various accounts which have been examined during the year and the balances certified as by law provided, show a further increase of clerical labor required over that shown in my report for fiscal year ended June 30, 1881, and this clearly indicates the necessity for an increase in the number of clerks assigned to this bureau.

In view of the fact that the official work of this office gradually increased for twenty years, as was shown in detail in official report of 1880, and the further fact that this increase of labor continued during the fiscal years 1881 and 1882, the necessity for greater clerical force is more clearly demonstrated.

The work for the fiscal year is unprecedented in the history of the bureau.

The increased number of appropriations for erection of public buildings and for miscellaneous purposes indicates larger requirements upon the office for the fiscal year ending June 30, 1883.

For the foregoing reasons, and for reasons stated more fully in my last report, I respectfully and earnestly ask for an additional chief of division and for at least three clerks of class three.

While I well know that *one additional clerk* beyond the necessities of the public service in any bureau or office is an injury to the service as well as a needless expenditure of the public moneys, I am convinced that the increase now asked grows out of a necessity pressing upon this office; and I would be derelict in duty should I not call attention to the condition of the work demanding additional clerical force.

In closing this report, I desire to commend the deputy auditor and the chiefs of divisions, through whose diligence, energy, and care the

increased work of this bureau has been so promptly dispatched during the fiscal year.

I wish to renew to them and to the clerks and employes of this office expressions of esteem and confidence.

I am, most respectfully, your obedient servant,

R. M. REYNOLDS,

First Auditor.

REPORT OF THE SECOND AUDITOR OF THE TREASURY.

TREASURY DEPARTMENT,

SECOND AUDITOR'S OFFICE,

Washington, October 11, 1882.

SIR: In compliance with your request of the 6th ultimo, I have the honor to submit my report for the fiscal year ending June 30, 1882, showing the work performed during that period and the condition of the public business intrusted to my charge at the close of the year.

BOOKKEEPERS' DIVISION.

The following statement of amounts drawn from and repaid to the War Department appropriations on the books of this office, is furnished pursuant to the act of March 3, 1817 (section 283 of the Revised Statutes), which requires that the auditors charged with the examination of the accounts of the Department of War shall annually report to the Secretary of the Treasury the application of the money appropriated for that Department. To this statement are added the drafts and repayments on account of the appropriations for the Indian service, without which the record of the financial transactions of the office would be incomplete.

Appropriations.	Drafts.	Repayments.
<i>Under immediate control of the Secretary of War.</i>		
Artillery school at Fortress Monroe, Va	\$5,087 70	\$7 70
Contingencies of the Army	26,768 50	263 83
Expenses of military convicts	6,315 80	
Publication of official records of the war of the rebellion.....	69,496 25	6 25
<i>Under control of the Commanding General.</i>		
Expenses of the Commanding General's office	2,500 00	25
<i>Under control of the Adjutant-General.</i>		
Collecting, drilling, and organizing volunteers	2,428 75	623 43
Contingencies of the Adjutant-General's Department	3,000 00	82 10
Draft and substitute fund		20 06
Expenses of recruiting	97,920 10	8,949 27
<i>Under control of the Quartermaster-General.</i>		
Clothing, camp and garrison equipage	169 31	4,529 14
<i>Under control of the Surgeon-General.</i>		
Appliances for disabled soldiers	1,000 00	
Artificial limbs	118,882 89	22,641 72
Medical and hospital department	229,115 86	13,377 07
Medical museum and library	16,000 00	
Trusses for disabled soldiers	10,000 00	

Appropriations.	Drafts.	Repayments.
<i>Under control of the Paymaster-General.</i>		
Bounty under the act of July 28, 1866.....	\$85,087 00	\$1,668 50
Bounty to volunteers and their widows and legal heirs.....	152,421 32	1,202 75
Bounty to the Fifteenth and Sixteenth Missouri Cavalry.....	89,000 00	
Collection and payment of bounty, &c., to colored soldiers and seamen.....	3,595 02	
Extra pay to officers and men who served in the war with Mexico.....	120 00	
General expenses.....	516,000 00	13,027 27
Mileage.....	220,088 96	1,701 57
Pay, &c., of the Army.....	11,766,592 16	311,492 60
Pay of the Military Academy.....	176,134 70	4,240 58
Pay of two and three year volunteers.....	73,295 99	5,327 72
Pay of volunteers (Mexican war).....	87 50	16 04
Raising four additional regiments.....		1 17
<i>Under control of the Chief of Ordnance.</i>		
Armament of fortifications.....	294,645 92	624 23
Arming and equipping the militia.....	168,181 59	19,590 77
Allowance for reduction of wages under the eight-hour law.....		10 00
Benicia arsenal, Cal.....	10,590 00	
Examinations of heavy ordnance and projectiles.....	10,365 55	
Manufacture of arms at national armories.....	300,000 00	
Ordnance service.....	110,000 00	10 79
Ordnance, ordnance stores and supplies.....	310,012 00	146 46
Ordnance material, proceeds of sales.....	91,687 00	26,729 42
Powder and projectiles (act March 3, 1881).....	30,200 56	
Powder depot.....	50,000 00	
Repairs of arsenals.....	40,000 00	05
Rock Island arsenal.....	227,000 00	50
Rock Island bridge.....	9,600 00	
San Antonio arsenal.....	14,000 00	
Springfield arsenal.....	15,000 00	
Testing machine.....	10,000 00	15 00
Washington arsenal.....		15 35
Wharf at Sandy Hook, New Jersey.....	5,000 00	
<i>Miscellaneous.</i>		
Relief of Lewis A. Kent and H. B. Eastman.....	511 74	
Support of National Home for disabled volunteer soldiers.....	950,000 00	3,524 39
Support of the Soldiers' Home.....	76,142 70	71 50
Total drafts and repayments (War Department).....	16,377,915 87	435,858 78
<i>Appropriations for the Indian service.</i>		
Buildings at agencies and repairs.....	20,188 08	2,611 94
Civilization fund (14 Statutes, 688).....	125,036 40	30,188 99
Contingencies of the Indian Department.....	33,093 58	14,046 94
Expenses of Board of Indian Commissioners.....	1,355 00	405 61
Expenses of Ute Commission.....	4,947 78	510 99
Fulfilling treaties with Indian tribes.....	894,478 55	17,345 73
Fulfilling treaties with Indian tribes (proceeds of lands).....	3,322,279 91	6,565 81
Gratuities and payments to Ute Indians.....	11,999 99	2,966 66
Incidental expenses of the Indian service.....	177,309 86	14,018 00
Interest on Indian trust funds, &c.....	630,184 98	11,895 38
Pay of Indian agents.....	92,087 92	2,599 15
Pay of Indian inspectors.....	14,932 20	263 91
Pay of Indian police.....	72,323 07	1,350 94
Pay of interpreters.....	25,182 79	1,393 94
Payment of indemnity to Poncas.....	72,604 46	19 09
Payment to Flatheads.....	5,000 00	
Payment to North Carolina Cherokees.....	3,816 20	841 91
Payment to Osages for ceded lands.....	236,083 88	
Relief of Frank D. Yates and others.....	14,075 85	
Removal and support of Otees and Missourians.....	38,180 10	1,163 61
Removal and support of confederated bands of Utes.....	84,524 78	19,371 95
Reservoir at headwaters of the Mississippi River.....	15,466 90	
Shawnee fund.....	4,883 62	
Support of schools, &c.....	121,894 95	5,603 44
Support of various Indian tribes and bands.....	3,635,446 69	83,917 01
Telegraphing and purchase of Indian supplies.....	36,701 11	1,242 19
Transportation of Indian supplies.....	260,816 07	8,516 45
Traveling expenses of Indian inspectors.....	5,978 02	655 05
Vaccination of Indians.....	1,410 10	1 00
Miscellaneous items.....	1,789 28	840 33
Total drafts and repayments (Indian Department).....	9,964,734 12	228,330 72

GENERAL BALANCE SHEET of APPROPRIATIONS.

	War.	Indian.
DEBIT.		
To amount withdrawn from the Treasury, July 1, 1881, to June 30, 1882.	\$16,377,915 87	\$9,964,784 12
To amount of transfer warrants issued to adjust appropriations.	5,173 62	371,565 82
To unexpended balances carried to the surplus fund.	481,981 37	244,590 88
To aggregate amount of balances remaining to the credit of all appropriations on the books of this office, June 30, 1882.	1,478,536 60	11,503,569 72
Total	18,343,607 46	22,084,460 54
CREDIT.		
By balances to the credit of all appropriations, July 1, 1881.	1,155,295 24	9,707,893 76
By amount of repayments during the year.	435,858 78	228,366 72
By amount of counter warrants issued to adjust appropriations.	39,435 22	148,826 22
By amount of appropriation warrants issued during the year.	16,713,018 22	11,999,403 84
Total	18,343,607 46	22,084,460 54

The balance of \$11,503,569.72 remaining to the credit of Indian appropriations, is made up as follows:

Indian trust funds deposited in the Treasury in lieu of investment under the act of April 1, 1880	\$8,740,859 14
Proceeds of Indian lands on deposit in the Treasury	1,248,241 83
Annual and permanent appropriations	1,514,468 75
Total	11,503,569 72

The amount of appropriation warrants issued on account of the Indian service consists of the following items:

Appropriations for the fiscal year 1882	\$4,625,343 80
Interest on investments, net proceeds of lands, &c.	500,134 49
Amount received from sales of lands	575,006 48
Appropriations to supply urgent deficiencies	579,000 00
Amount received from redemption of bonds, &c.	5,705,243 22
Appropriated by special act of relief	14,675 85
Total	11,999,403 84

The following is a summary of the work performed in the bookkeepers' division, incidental to keeping the accounts of the office:

Requisitions registered, journalized, and posted, 4,960; settlements recorded, journalized, and posted, 4,197; settlements made in the division chiefly to adjust and close accounts, 428; statements of balances, &c., furnished to settling clerks, 1,257; certificates of deposit listed and indexed, 1,078; repay requisitions prepared for the War and Interior Departments, 505; appropriation warrants recorded and posted, 45; official bonds of disbursing officers entered, 52; certificates of non-indebtedness issued in cases of officers, 416; and enlisted men, 913; letters written, 584; amount drawn from the Treasury on settlements made in this division, \$264,811.28.

PAYMASTERS' DIVISION.

	Paymasters' accounts.	Longevity claims.
On hand unexamined July 1, 1881.	312	
Received during the year.	388	1,120
Total	700	1,120
Audited and reported to the Second Comptroller.	398	87
On hand not examined June 30, 1882.	302	1,083

The amount involved in 398 disbursing accounts, 37 claims, and 339 miscellaneous settlements was \$10,938,144.98, as follows:

Amount disbursed by paymasters	\$10,674,983 91
Amount paid to officers of the United States Army under the decision of the Supreme Court in the matter of computing "longevity" pay	15,538 68
Amount paid to the Soldiers' Home	81,877 81
Amount transferred to the books of the Third Auditor's office on account of—	
Tobacco sold to soldiers	106,271 53
Stoppages for subsistence stores, &c	33,429 29
Charges on account of overpayments	9,926 48
Amount of overpayments refunded	4,495 79
Sundry charges and credits	11,627 49
Total	10,938,144 98

The service records of 233 officers have been re-examined to determine their pay status under the acts of June 13, 1878, and February 24, 1881.

The record of deposits by and repayment of deposits to enlisted men of the Regular Army, under the act of May 15, 1872, shows that 8,558 deposits were made, amounting to \$480,150.69, and that 6,673 deposits, amounting to \$399,032.32 were repaid to soldiers on their discharge from the service. During the four years that this record has been kept the deposits have aggregated \$1,762,280.24, and the repayments, inclusive of interest, \$1,127,293.73.

Letters received, 1,216; letters written, 2,776.

MISCELLANEOUS DIVISION.

Unsettled accounts on hand July 1, 1881	514
Received during the year from the Secretary of War, the Adjutant-General, Surgeon-General, and Chief of Ordnance	1,869
Total	2,383
Accounts settled during the year	1,889

Remaining on hand June 30, 1882

494

The amount of disbursements allowed in the settlement of accounts was \$3,937,981.30, under the following appropriations:

Arming and equipping the militia, armament of fortifications, manufacture of arms at national armories, ordnance, ordnance stores and supplies, ordnance service and other appropriations of the Ordnance Department	\$1,755,179 65
Medical and hospital department, artificial limbs, medical museum and library, and other appropriations of the Medical Department	455,895 10
Regular and volunteer recruiting, claims for repayment of local bounty, accounts for payment of arrears of pay and bounty to colored soldiers, &c	369,163 54
Contingencies of the Army, expenses of military convicts, publication of Official Records of the War of the Rebellion, contingencies of the Adjutant-General's Department, artillery school at Fortress Monroe, expenses of Commanding General's office, &c	112,384 41
Support of National Home for Disabled Volunteer Soldiers	1,245,358 60
Total	3,937,981 30

The work of compiling the pay record of officers of the Regular Army and volunteer force has progressed rapidly, 109,611 payments having been entered during the year. Incidentally twenty-seven double payments to volunteer soldiers were discovered and reported for collection. A comprehensive index to this voluminous record has been completed and has proved of great assistance to the many clerks whose work necessitates constant reference to it. Letters written, 2,755.

INDIAN DIVISION.

The work done in this division is shown by the following statement:

	Money accounts.	Property accounts.	Claims.
On hand July 1, 1881.....	24	331	60
Received during the year.....	958	558	3,009
Total.....	982	889	3,129
Settled during the year.....	797	513	3,026
On hand June 30, 1882.....	185	376	103

The amount disbursed was \$6,154,440.83, as follows:

Expended by Indian agents and other disbursing officers, and allowed by this office.....	\$1,813,752 12
Amount paid by Treasury drafts in settlement of 3,026 claims of contractors and others for supplies and services	4,340,688 71
Total disbursements	6,154,440 83

Sixty-three transcripts of Indian agents' accounts have been forwarded to the Second Comptroller for transmittal to the Department of Justice in order that suits may be entered against the agents and their sureties. The balances declared to be due the United States in these sixty-three cases amount to more than \$1,000,000, and consist to a great extent of items disallowed by the accounting officers for reasons not necessarily incompatible with the personal integrity of the agents to be sued.

During last year the sum of \$6,783.06 was recovered by suit and otherwise in full settlement of the accounts of certain agents no longer in commission. Letters written, 4,834.

PAY AND BOUNTY DIVISION.

This division is charged with the settlement of all claims for bounty and arrears of pay, except such claims as are filed by officers of the Army, still in service, for increased longevity allowance under the recent decision of the United States Supreme Court—these claims having been assigned to the Paymasters' Division. As will be seen by the subjoined tabular statements, fair progress has been made in the examination and settlement of claims during the past year:

Examining Branch.

Classes of claims.	Claims pending July 1, 1881.	New claims received.	Sent to settling branch.	Disallowed.	Referred to other offices.	Claims pending June 30, 1882.
<i>White soldiers.</i>						
Commissioned officers.....	1,357	1,023	175	178	22	2,005
Enlisted men, subsequent to April, 1861—arrears of pay and all bounties	23,940	8,160	2,328	7,867	2,243	19,654
Claims for pay prior to April, 1861	177	216	38	123	5	227
Claims of Army laundresses, sutlers, tailors, &c....	53	40	29	9	.....	3
<i>Colored soldiers.</i>						
Arrears of pay and bounty	6,153	3,230	864	1,342	86	7,091
Total	31,680	12,669	3,434	9,519	2,356	29,040

Settling Branch.

Classes of claims.	Claims pending July 1, 1881.	Received from examining branch.	Claims settled and allowed.	Claims disallowed.	Referred to other offices.	Claims pending June 30, 1882.
<i>White soldiers.</i>						
Commissioned officers	950	2,521	2,466	45	75	885
Enlisted men, subsequent to April, 1861—arrears of pay and all bounties						
Claims for pay prior to April, 1861						
Claims of Army laundresses, sutlers, tailors, &c.						
<i>Colored soldiers.</i>						
Arrears of pay and bounty	117	846	838	10	21	94
Total	1,067	3,434	3,371	55	96	979

The claims settled and allowed averaged a fraction more than \$132.68 each, the total amount being \$447,267.10. The claims disallowed amounted to upward of one million dollars. Letters written, 78,114.

DIVISION FOR THE INVESTIGATION OF FRAUD.

On July 1, 1881, 7,823 cases remained on hand; 380 new cases have been received during the year, making a total of 8,203 before the division. Of these, 6,135 were examined and partially investigated; 1,317 were finally disposed of, and 6,886 remain on hand for further action. The cases not disposed of are as follows:

Unsettled claims:	
White soldiers	432
Colored soldiers	1,584
	<hr/> 2,016
Settled claims:	
White soldiers	734
Colored soldiers	3,779
	<hr/> 4,513
Double payments to officers	357
Total	<hr/> 6,886

The sum of \$4,311.66 has been recovered by suit and otherwise, and deposited in the Treasury; judgments amounting to \$2,002.46 have been obtained, but are not yet satisfied; \$1,242.20 has been secured to claimants from persons unlawfully withholding it, and \$226 has been returned to the Treasury by the Pay Department in cases of colored soldiers.

Abstracts of material facts have been made in 478 cases; 40 cases were prepared for suit and criminal prosecution and transmitted to the Department of Justice, and 5,655 letters were written.

I would again invite attention to a matter that has been referred to in half a dozen annual reports, namely: The necessity for some act on the part of Congress looking to an adjustment of the claims of those colored soldiers who allege that they were defrauded out of their arrears of pay and bounty by the subordinate agents of the late Freedmen's Bureau.

PROPERTY DIVISION.

The work of this division is now confined to the examination and settlement of the quarterly returns of clothing, camp and garrison equipage, rendered by all officers of the Army who are responsible for that description of property. These returns, by which upward of one million dollars worth of property is accounted for annually, are not examined by any other accounting officer, so that the action of this office is final.

On July 1, 1881, 6,241 returns were on hand unsettled; 3,569 have since been received; 4,652 have been examined, and 4,132 have been settled, leaving 5,678 on hand June 30, 1882. Charges amounting to \$4,178.84 have been made against officers for property not satisfactorily accounted for, and \$1,235.81 has been collected on that account. Letters written, 2,419; letters recorded, 906.

DIVISION OF INQUIRIES AND REPLIES.

In addition to the 12,937 inquiries from various bureaus which have been answered during the year, as shown by the subjoined statement, the following miscellaneous work was performed in this division: 412 rolls and vouchers copied and verified; 3,097 accounts-current, affidavits, abstracts, certificates of disability, final statements, furloughs, general orders, letters, statements of differences, &c., copied for the office; 13,790 descriptive lists briefed and filed; 3,557 signatures compared, and 4,131 letters written.

Overpayments amounting to \$8,696.50 have been discovered and reported for collection, and the sum of \$968.82 on account of overpayments previously reported has been recovered and repaid to the appropriations from which the money was drawn.

Office making inquiry.	On hand July 1, 1881.	Received.	Answered.	On hand June 30, 1882.
Adjutant-General.....	2,786	4,962	7,324	424
Quartermaster-General.....	67	272	328	11
Commissary-General.....	93	1,796	1,885	4
Commissioner of Pensions.....	818	1,073	1,866	25
Third Auditor.....	203	627	783	47
Miscellaneous.....	3	751	751	3
Total.....	3,970	9,481	12,937	514

DIVISION OF CORRESPONDENCE AND RECORD.

Letters received, 23,069; letters written, 18,990; letters referred to other offices, 598; letters recorded and indexed, 1,040; letters returned uncalled for, 354; claims received, briefed, and registered, 16,213; miscellaneous vouchers received, stamped, and distributed, 75,081; letters containing additional evidence to perfect suspended claims briefed and registered, 13,371; pay and bounty certificates examined, registered and mailed, 4,236; pay and bounty certificates examined, registered and sent to the Pay Department, 3,859; reports calling for requisitions sent to the Secretary of War, 465; miscellaneous cases disposed of, 5,869.

ARCHIVES DIVISION.

The increased and much-needed accommodation provided for the files of the office, to which reference was made in last year's report, has been

taken advantage of to as great an extent as possible. Between three and four million muster and pay rolls and other important and valuable vouchers have been placed in permanent boxes and rearranged with a view, first, to their preservation; secondly, to facility of reference; and thirdly, to economy in space. Incidental to this work it was necessary to examine and verify 1,820,285 vouchers; to stencil 7,331 file-boxes with the number, date, &c., of the settlements, and to brief 6,268 boxes, so as to clearly indicate the character of the vouchers therein contained. The regular business of the division is shown by the following statement:

Paymasters' accounts received from the Pay Department	519
Confirmed settlements received from the Second Comptroller, entered, indexed, and filed: Paymasters', 167; Indian, 2,393; miscellaneous, 1,017.....	3,517
Miscellaneous accounts withdrawn for reference and returned to the files..	1,768
Vouchers withdrawn from the files for use in the settlement of accounts and claims and for repairs.....	29,657
Vouchers returned to files	43,958
Vouchers briefed.....	60,237
Mutilated and worn vouchers repaired and returned to the files.....	15,090
Number of pages copied	2,797
Letters written	319

RECAPITULATION.

Number of accounts and claims of all kinds on hand July 1, 1881, including 5,812 renewed applications for arrears of pay and bounty...	40,229
Number of accounts and claims received during the year	24,400
Total	64,629
Number disposed of, including rejected and referred claims for pay and bounty	26,189
Number of accounts and claims on hand June 30, 1882	38,440
Amount drawn out of the Treasury in payment of claims and in advances to disbursing officers	\$26,342,649 99
Less repayments of unexpended balances, &c.....	664,195 50
Net amount paid out.....	25,678,454 49
Total number of letters written.....	120,580
Average number of clerks employed.....	145

PROCEEDS OF INDIAN LABOR.

For several years past questions have arisen from time to time, in the settlement of Indian agents' accounts, as to the proper disposition of moneys derived from the product of Indian labor, pasturage on Indian lands, &c. In June, 1876, the matter was referred to the First Comptroller (Hon. R. W. Talyer), who said: "In my opinion, receipts for the product of labor of Indians and for use and occupancy of their lands are not public moneys, within the meaning of section 3,618 of the Revised Statutes, which are to be covered into the Treasury as miscellaneous receipts. If such moneys should be covered into the Treasury they cannot be withdrawn except on appropriations made by law. While it is probable such moneys may, under the direction of the Department of the Interior, be expended for the benefit of the Indians, I am not aware of any law which provides for it. If the Secretary of the Interior should deem it proper, I think Congress would direct the mode of expenditure." The Secretary of the Treasury concurred in this view and recom-

mended to the Secretary of the Interior that Congress be requested to authorize the deposit of such funds to the credit of an appropriation for the benefit of the particular tribe or band of Indians entitled thereto. On October 18, 1876, the Secretary of the Interior wrote as follows to the Commissioner of Indian Affairs: "The money may be expended under your personal direction, but, as a rule, when the money is received for the sale of produce, the result of the labor of any individual Indian, it should be expended for his sole benefit, and if of any considerable number less than a band it should be expended for their benefit, so that in all cases the Indian shall receive the benefit of his or her personal industry." In 1880 the Second Comptroller and Second Auditor agreed that in the settlement of Indian agents' accounts all such moneys should be charged and credited under the special caption of "Indian moneys—proceeds of labor, &c."

There can be no doubt as to the justice and equity of treating these moneys in the manner indicated above, but it needs the authority of law, and to that end I suggest that the subject be brought to the attention of Congress.

MILEAGE OF ARMY OFFICERS.

Under section 1273 of the Revised Statutes, as amended by the act of July 26, 1876 (19 Stat., 100), officers of the Army traveling under orders, without troops, are allowed eight cents per mile, provided they have not been furnished with transportation in kind by the United States. I suggest that the law be further amended so that mileage shall not be allowed when an officer travels on a free pass. Officers of the Treasury and Interior Departments, and I presume of all other Executive Departments who present accounts for traveling expenses, are required to make affidavit that "no part of the travel has been under any free pass on any railway, steamboat, or other conveyance." It is neither just nor reasonable that officers of the Army should be paid eight cents per mile while traveling on free passes. In such cases they should be placed on equality with the civil officers of the United States, and should be reimbursed to the extent of their actual and necessary expenses, and no more. In analogy to what is demanded, under oath, from Treasury and Interior Department officials, Army officers should be required to certify on honor that charges for traveling expenses were actually paid or incurred, and that no part of the travel for which they claim mileage was made on a free pass on any railway, steamboat, or other conveyance.

THE SOLDIERS' HOME.

By section 4818 of the Revised Statutes all forfeitures on account of desertion and all moneys belonging to the estates of deceased soldiers, remaining unclaimed for three years subsequent to the death of such soldiers, are set apart and appropriated for the support of the Soldiers' Home. I find that twenty-one years' arrearages are due said Home on account of moneys forfeited by those deserters from the regular Army who were never heard of after desertion. With a few trifling exceptions the accounts of such deserters have not been settled. When the men were dropped from the rolls of the Army such data as were necessary to an adjustment of their pay accounts were entered on the muster-rolls, and there the matter ended. There is also a large sum due the Home on account of unclaimed money belonging to the estates of soldiers

who died prior to July 1, 1879. The aggregate amount payable to the Home from these two sources is estimated at upward of one million dollars. It is clearly the duty of the accounting officers of the Treasury Department to adjust and settle the accounts of deceased soldiers and deserters so that the Home may receive what the law has set apart and appropriated for its support, but the necessary clerical force is lacking. I estimate that it would take six experienced clerks five years in this office, and a proportionate number for the same period in the Second Comptroller's Office, to bring the work up to date.

In view of all the circumstances, and considering especially the length of time that the Soldiers' Home has been deprived of a portion of its legitimate income, I venture to suggest a plan by which an equitable settlement between the United States and the Home can be arrived at without the expense and delay of examining and adjusting the pay accounts of deceased soldiers and deserters, namely: That Congress shall appropriate a reasonable amount, say one million dollars, to be deposited in the Treasury in accordance with the provisions of section 8 of Senate bill No. 1821, prescribing regulations for the Soldiers' Home, and now pending in Congress; said amount to be accepted by the Home in full discharge of all obligations on the part of the United States, under section 4818 of the Revised Statutes, up to and including June 30, 1879.

A STATUTE OF LIMITATION NEEDED.

Adverting to the remarks in my last annual report in regard to a statute of limitation, I again invite attention to the subject as one that calls for early and favorable consideration. There exists a continually increasing necessity for such a law. It is required, not that the payment of just debts may be evaded, but that the public treasury may be protected from unscrupulous claimants and from the vexatious demands of persons who, having received all they are entitled to, make new applications in the hope, apparently, that something in their favor may "turn up" on a re-examination of their claims, or that the evidence of former payment may not have been preserved. Of the claims growing out of the war of the rebellion only a small percentage of those last presented possess either merit or validity, and that percentage is diminishing with the lapse of time, while the labor of examination and investigation is materially increasing. A statute of limitation that would bar and preclude from settlement all claims growing out of the late war not presented within two years from the date of the enactment, and all other claims not presented within six years from the time they accrued would, I believe, be regarded with favor by all the accounting officers of the Treasury Department. Without such a statute no child now living will ever see the day when the presentation for payment by the government of claims of the class first mentioned will have ceased.

CONDITION OF THE PUBLIC BUSINESS.

The condition of the public business intrusted to my charge is shown by the following comparative statement of accounts and claims received, disposed of, and remaining on hand in the fiscal years 1881 and 1882:

Description of accounts, &c.	FISCAL YEAR 1881.			FISCAL YEAR 1882.		
	Number of accounts and claims.			Number of accounts and claims.		
	Received.	Disposed of.	On hand, June 30.	Received.	Disposed of.	On hand, June 30.
<i>Disbursing accounts.</i>						
Army paymasters	601	419	312	588	398	502
Recruiting, medical, ordnance, and miscellaneous..	1,732	1,664	514	1,869	1,889	494
Indian agents.....	847	1,166	24	958	797	185
Total disbursing accounts	3,180	3,249	850	3,415	3,084	1,181
<i>Claims.</i>						
Arrears of pay and bounty..	8,682	9,110	32,747	13,789	15,434	31,102
Indian.....	3,052	3,140	69	3,093	3,026	103
Total claims.....	11,734	12,250	32,807	16,882	18,460	31,205
<i>Property accounts.</i>						
Clothing, camp and garrison equipage	3,649	4,969	6,241	3,569	4,132	5,673
Indian.....	354	372	571	558	513	376
Total property accounts.	4,003	5,341	6,812	4,127	4,645	6,054
Aggregate.....	18,917	20,840	40,229	24,400	26,189	38,440

It will be seen by the foregoing statement that, as compared with last year's record, there was an increase of 5,483 in the number of accounts and claims received, and of 5,349 in the number disposed of; and a decrease of 1,789 in the number on hand. While the business of the office is thus shown to be in a satisfactory condition in the aggregate, the state of disbursing accounts calls for some explanation. The recruiting, medical, ordnance, and miscellaneous disbursing accounts are promptly rendered to this office and are settled with sufficient dispatch to prevent accumulation. The accounts of Indian agents have temporarily accumulated, there being 185 on hand June 30, 1882, against 24 on hand June 30, 1881. This increase is accounted for by the fact that an unusually large number was received from the Indian Office too late to be taken up for settlement before the close of the fiscal year. The accounts of paymasters have unavoidably accumulated since June 30, 1880, on which date only 130 remained unexamined. On June 30, 1881, the number had increased to 312, and on June 30, 1882, it had still further increased to 502. This increase is due to two causes, namely, the insufficient clerical force of the paymasters' division, and the complex nature of the accounts, which now consist, not only of the ordinary bi-monthly muster and pay-rolls of companies and detachments, final payments to discharged soldiers, and monthly pay accounts of commissioned officers, but also of mileage accounts and vouchers for telegrams, expenses of witnesses before courts-martial, &c. The proper examination of mileage and telegram accounts adds very materially to the work of the auditing clerks. The delay in the settlement of paymasters' accounts now averages two years, so that a paymaster does not know how he stands officially on the books of the Treasury Department until two years after he has rendered his accounts, neither does the Treasury Department know until after the same lapse of time whether the paymaster has properly accounted for the large sums of money advanced to him for disbursement. The law requires that "the Secretary of the Treasury shall cause all accounts of the expenditure of public money to be settled within each fiscal year" (section 250 Revised Statutes), and it would

seem to be due to the paymaster and the sureties on his official bond as well as to the United States, that some measure should be adopted which will enable the accounting officers to settle these accounts within the time prescribed by the statutes. The following case is given as a fair sample of the delay that occurs in the three offices through which an Army paymaster's accounts pass after leaving his hands:

STATEMENT showing DELAY in SETTLING a PAYMASTER'S ACCOUNTS.

Date of accounts.	Received in the Paymaster-General's office.	Received in the Second Auditor's office.	Remarks.
July and Aug., 1879	November 7, 1879	March 12, 1880	Examined in Second Auditor's office and sent to Second Comptroller for revision, April 27, 1881. Revised in Second Comptroller's office and returned to Second Auditor to be stated, October 12, 1881. Stated by Second Auditor November 10, 1881. Certified by Second Comptroller, January 13, 1882.
Sept. and Oct., 1879	November 17, 1879	March 25, 1880	
Nov. and Dec., 1879	January 13, 1880	June 14, 1880	
January, 1880	February 16, 1880	July 3, 1880	
February, 1880	March 15, 1880	July 27, 1880	
March, 1880	May 11, 1880	August 25, 1880	
April, 1880	May 15, 1880	August 25, 1880	
May and June, 1880	July 14, 1880	October 2, 1880	

The average delay in each office was as follows: Paymaster-General's office, $3\frac{3}{8}$ months; Second Auditor's office, $10\frac{5}{8}$ months; Second Comptroller's office, $7\frac{1}{2}$ months.

The comparatively slight progress that has been made toward clearing off accumulated work is chiefly attributable to the repeated demands upon this office for clerks to assist in other bureaus of the Department. Emergencies will continue to arise when the power given to the head of a Department by section 166 of the Revised Statutes to alter the distribution of the clerks allowed by law and detail clerks credited to one bureau for service in another must be exercised. At one time, in consequence of an unusual amount of labor suddenly imposed upon the Loan Division and Register's office, no less than sixteen clerks on the pay-rolls of this office were detailed for work elsewhere. At the present time five are so absent, and the average for the last fiscal year was at least five. All these were experienced and efficient clerks, for such are always asked for, and none others taken or received.

While the clerical force was nominally the same, 5,349 more accounts and claims were disposed of than during the preceding year, and the number unsettled diminished by 1,789. The additional work of five efficient and experienced clerks would have largely increased these figures. No bureau of the department needs more than this the entire force accorded to it by law. Of the 38,440 unsettled accounts and claims, a very large proportion has been pending more than five years. It is not surprising, then, that claimants become importunate and not unfrequently abusive in their correspondence. They are entitled to a settlement, and it is extremely difficult to give a satisfactory reason for the delay. At the present time, so far as I am aware, there is no extraordinary demand upon any of the bureaus of the Treasury Department, and if more clerical force is needed it should be supplied by legislation. The business of this office is pressing. It has never to my knowledge had any assistance from other bureaus; certainly not without according an equivalent by an exchange, and it is fairly entitled to its legal complement of clerks.

The facts herein set forth as to the work performed during the year are sufficiently indicative of the faithfulness and efficiency of the clerical force of the bureau.

Very respectfully,

O. FERRISS, *Auditor.*

The Hon. SECRETARY OF THE TREASURY.

REPORT OF THE THIRD AUDITOR OF THE TREASURY.

TREASURY DEPARTMENT,
THIRD AUDITOR'S OFFICE,
Washington, D. C., October 30, 1882.

SIR: I have the honor to transmit herewith report of the operations of this office for the fiscal year ended June 30, 1882. The following statement shows, in tabular form, the number and amount of accounts and claims remaining on hand unsettled at the close of the last fiscal year, the number received and audited, and the number and amount of accounts and claims remaining unsettled June 30, 1882, viz:

REPORT of BUSINESS TRANSACTED in the fiscal year ended June 30, 1882.

Description of accounts.	Number of accounts remaining on hand June 30, 1881.	Number of accounts received in fiscal year ended June 30, 1882.	Number of accounts settled in fiscal year ended June 30, 1882.		Number of accounts unsettled June 30, 1882.	
	Monthly and quarterly.	Monthly and quarterly.	Monthly and quarterly.	Amount involved.	Monthly and quarterly.	Amount involved.
Quartermasters' money	422	2,991	2,650	\$12,517,962 77	763	\$1,072,202 64
Quartermasters' property	1,079	3,192	3,488		783	
Commissaries' money	532	1,924	1,494	3,796,079 34	962	1,230,191 51
Pension agents' money	233	455	416	37,528,064 66	292	50,472,491 48
Engineers' money	58	192	219	8,221,812 41	31	4,826,589 08
Signal officers' money	68	118			186	664,904 13
Signal officers' property	191	866	2		1,055	
Claims for horses lost	4,791	454	441	61,147 83	4,804	868,513 08
Claims for steamboats destroyed	71	1	2	50,000 00	70	672,903 67
Oregon war claims	688	38	36	5,321 82	690	6,047 25
Miscellaneous claims	13,299	3,614	3,398	2,780,365 08	13,515	9,312,165 13
State war claims	13	1	4	514,320 42	10	4,345,020 12
Total	21,465	13,846	12,150	65,476,074 33	23,161	74,371,178 29

BOOKKEEPER'S DIVISION.

The duty devolving upon this division is to keep the appropriation and money accounts of disbursing officers, which are settled in this office.

The annexed statement shows the amount drawn out of certain of its appropriation accounts, and also the repayments made through this office into the Treasury, and is a full exhibit of its financial operations during the fiscal year:

STATEMENT showing the FINANCIAL OPERATIONS of the OFFICE during the fiscal year ended June 30, 1882.

	Advances to officers and agents during the fiscal year.	Claims paid during the fiscal year.	Transfers involving no expenditure from the Treasury.	Total.
Number of requisitions drawn by the Secretaries of War and Interior on the Secretary of the Treasury in favor of sundry persons, 3,661, amounting to \$90,937,569.46, paid in the manner herein set forth and out of the following appropriations, viz:				
Regular supplies, Quartermaster's Department.....	\$3, 599, 251 10	\$18, 799 62	\$249 22	\$3, 618, 299 94
Incidental expenses, Quartermaster's Department.....	982, 065 93	17, 246 13	60 34	999, 372 40
Barracks and quarters, Quartermaster's Department.....	877, 813 78	15, 391 83	145 96	893, 351 57
Army transportation, Quartermaster's Department.....	4, 105, 476 15	238, 265 30	828 16	4, 344, 569 61
Army transportation (Pacific railroads).....	100, 552 03	811, 054 23	18 05	811, 072 28
National cemeteries.....	57, 918 65	167 00		100, 552 03
Pay of superintendents of national cemeteries.....	1, 239, 025 28	4, 425 02	43 63	58, 085 65
Clothing, camp and garrison equipage.....	375, 040 53			1, 243, 493 93
Observation and report of storms.....	10, 500 00			375, 040 53
Signal Service.....	25, 000 00			10, 500 00
Observation and exploration in Arctic Seas.....	75, 042 25			25, 000 00
Construction, maintenance, and repair of military telegraph lines.....				75, 042 25
Constructing jetties, &c., at South Pass, Mississippi River.....	76, 348 95	175, 000 00		175, 000 00
Construction and repairs of hospitals.....	40, 000 00			76, 348 95
Headstones for graves of soldiers in private cemeteries.....	202, 674 74	37 50	379 23	40, 000 00
Cavalry and artillery horses.....		178, 179 18		202, 674 74
Fifty per centum of arrears of Army transportation due certain land-grant railroads.....	810 00			178, 179 18
Surveys and reconnaissances in military divisions and departments.....	29 19			810 00
Ringold Barracks.....	45, 000 00			29 19
Buildings for military headquarters at Fort Snelling, Minn.....	64, 000 00			45, 000 00
Buildings for military headquarters at San Antonio, Tex.....	10, 000 00			64, 000 00
Macadamized road from Vicksburg to the national cemetery, Mississippi.....	5, 000 00			10, 000 00
Road from Chattanooga to the national cemetery, Tennessee.....	55, 705 84			5, 000 00
Military road near the Musselshell River, Montana.....	5, 500 00			55, 705 84
Road from Fort Scott to the national cemetery, Kansas.....	45, 000 00			5, 500 00
Military post near northern boundary of Montana.....	4, 000 00			45, 000 00
Carriage-way from New Market street to the United States military depot, Jeffersonville, Ind.....	30, 000 00			4, 000 00
Buildings for military quarters at Fort Leavenworth, Kans.....	15, 319 47			30, 000 00
Transportation and distribution of rations and supplies to the sufferers by overflow of Mississippi River.....		276, 777 54		15, 319 47
Claims for quartermasters' stores, &c., act July 4, 1864.....		255 00		276, 777 54
Claims for loyal citizens, &c.....		667 40		255 00
Awards for quartermasters' stores taken by the Army in Tennessee.....				667 40
Payment to the city of Port Huron proceeds of sale of part of Fort Gratiot Military Reservation.....		19, 966 31		
Capture of Jefferson Davis.....		293 00		19, 966 31
Sundry engineer appropriations.....	11, 891, 528 72	142 92	3, 555 87	293 00
				11, 885, 227 51

STATEMENT showing the FINANCIAL OPERATIONS of the OFFICE, &c.—Continued.

	Advances to officers and agents during the fiscal year.	Claims paid during the fiscal year.	Transfers involving no expenditure from the Treasury.	Total.
Subsistence of the Army	\$2,390,800 00	\$36,143 83	\$28 50	\$2,427,062 33
Support of military prison at Fort Leavenworth, Kans.	62,461 17	.....	.....	62,461 17
Lost horses, &c., act March 3, 1849. ....	.....	565 00	.....	565 00
Rations for relief of persons rendered destitute by overflow of Mississippi River	349,958 88	.....	.....	349,958 88
Pensions of the Army	62,402,255 00	4,175 66	.....	62,406,430 66
Support of Bureau of Refugees, Freedmen, &c. ....	.....	.....	540 37	540 37
Total	89,134,167 66	1,797,552 47	5,849 33	90,937,569 46

The number of credit and counter requisitions drawn by the Secretaries of War and Interior on sundry persons in favor of the Treasurer of the United States is 1,522, on which repayments into the Treasury have been made through the Third Auditor's Office during the fiscal year ended June 30, 1882, as follows:

Deposits	\$2,239,586 97
Transfer accounts	164,530 54
Total	2,404,117 51

QUARTERMASTERS' DIVISION.

The accounts of quartermasters cover a wide range of money and property responsibility. The former embraces disbursements for barracks and quarters, hospitals, storehouses, offices, stables, and transportation of Army supplies, the purchase of Army clothing, camp and garrison equipage, cavalry and artillery horses, fuel, forage, straw, material for bedding, and stationery; payment of hired men and of "per diem" to extra duty men; expenses incurred in the pursuit and apprehension of deserters; for the burial of officers and soldiers, for hired escorts, expresses, interpreters, spies, and guides; for veterinary surgeons and medicines for horses, for supplying posts with water, and for all other proper and authorized outlays connected with the movements and operations of the Army not expressly assigned to any other department. Property purchased with the funds of the Quartermaster's Department is accounted for upon "returns" transmitted through the Quartermaster-General to this office (with the exception of "returns of clothing, camp and garrison equipage," which come under the supervision of the Second Auditor), showing that the disposition made of it is in accordance with law and Army regulations.

REPORT of the QUARTERMASTERS' DIVISION for the fiscal year ended June 30, 1882.

	Money accounts.		Property returns.	Supplemental settlements.	
	Number.	Amount.		Money.	Amount.
On hand per last report	422	\$2,554,626 96	1,079	.....	.....
Received during the fiscal year	2,991	11,935,628 45	3,192	261	\$106,242 73
Total	3,413	14,490,255 41	4,271	261	106,242 73
Reported during the fiscal year	2,650	12,517,962 77	3,488	261	106,242 73
Remaining unsettled	763	1,972,292 64	783	.....	.....
Total	3,413	14,490,255 41	4,271	261	106,242 73

REPORT of the QUARTERMASTER'S DIVISION, &c.—Continued.

	Signal accounts.			Total.	
	Property.	Money.	Amount.	Number.	Amount.
On hand per last report.....	191	68	\$182,969 93	1,760	\$2,737,596 89
Received during the fiscal year.....	866	118	481,954 22	7,428	12,523,465 49
Total.....	1,057	186	664,964 15	9,188	15,261,462 29
Reported during the fiscal year.....	2			6,401	12,624,265 50
Remaining unsettled.....	1,055	186	664,964 15	2,787	2,637,256 79
Total.....	1,057	186	664,964 15	9,188	15,261,462 29

Number of letters written, 4,463; number of clerks employed, 19; number of vouchers examined, 249,005; number of pages of manuscript written, 6,539.

SUBSISTENCE DIVISION.

The subsistence division examines the accounts of all commissaries and acting commissaries in the Army, whose duties are to purchase the provisions and stores necessary for its subsistence, and see to their proper distribution. These commissaries render monthly money accounts, with proper vouchers for disbursements of the funds intrusted to them, together with a provision-return, showing the disposition of provisions and stores purchased or derived from other sources. These accounts are received through the Commissary-General of Subsistence, and are examined and audited in this division. The money accounts and vouchers, together with a certified statement of the result of said examinations, are then referred to the Second Comptroller of the Treasury for revision. Upon their return from the Comptroller, with the settlement approved, the officers are notified of the result, and called upon to adjust or explain any omissions or errors that may have been discovered. The money and provision accounts, together with the papers belonging thereto, are then placed in the settled files for future reference, and remain permanently in the custody of this office. The engineer branch is engaged in the examination of the accounts of officers and agents of the Engineer Department, who, under the direction of the Chief of Engineers of the Army (except the Superintendent of the Military Academy at West Point, whose disbursements are directed by the Inspector-General), disburse moneys out of the various appropriations, now 248 in number, made from time to time by Congress for works of a public nature, which may be classed under the following heads, viz: The purchase of sites and materials for and construction and repairs of the various fortifications throughout the United States; construction and repairs of roads, bridges, bridge-trains, &c., for armies in the field; surveys on the Atlantic and Pacific coasts; examination and surveys of the northern and western lakes and rivers; construction and repairs of breakwaters; repairs and improvement of harbors, both on sea and lake coasts; improvement of rivers, and purchase of snag and dredge boats for the same; and the expenses of the Military Academy at West Point.

The transactions of the subsistence and engineer branches for the fiscal year are shown by the following statement, viz:

	Subsistence accounts.		Engineer accounts.	
	Number.	Amount.	Number.	Amount.
On hand per last report, June 30, 1881.....	532	\$1,221,500 58	58	\$3,354,209 90
Received during the fiscal year.....	1,924	3,894,770 27	192	2,694,191 59
Total.....	2,456	5,096,270 85	250	13,048,401 49
Reported during the fiscal year.....	1,494	3,796,079 34	219	8,221,812 41
Remaining on hand June 30, 1882.....	962	1,230,191 51	31	4,826,589 08

Number of vouchers examined, 158,538; number of letters written, 2,018; number of differences written, 1,015; number of calls answered, 956; number of clerks employed, 9.

CLAIMS DIVISION.

This division has the settlement of claims of a miscellaneous character arising in the various branches of service in the War Department, and growing out of the purchase or appropriation of supplies and stores for the Army; the purchase, hire, or appropriation of water craft, railroad stock, horses, wagons, and other means of transportation; the transportation contracts of the Army; the occupation of real estate for camps, barracks, hospitals, fortifications, &c.; the hire of employes, mileage, courts-martial fees, traveling expenses, commutations, &c.; claims for compensation for vessels, railroad cars, engines, &c., lost in the military service; claims growing out of the Oregon and Washington war of 1855 and 1856 and other Indian wars; claims of various descriptions under special acts of Congress, and claims not otherwise assigned for adjudication.

MISCELLANEOUS CLAIMS for fiscal year 1881-'82.

	Miscellaneous claims.		
	Number.	Amount claimed.	Amount allowed.
On hand June 30, 1881.....	13,299	\$88,889,432 05	
Received during the year.....	3,614	63,263,695 16	
Total.....	16,913	12,092,530 21	
Disposed of during the year.....	3,398	\$2,780,365 98	\$2,041,775 98
On hand June 30, 1882.....	13,515	\$9,312,165 13	

a This is the amount claimed in 11,641 cases, the amount claimed in the other 1,655 cases not being stated.

b This is the amount claimed in 3,434 cases, the amount claimed in the other 141 cases not being stated.

c This is the amount claimed in 3,243 cases, the amount claimed in the other 149 cases not being stated.

d This is the amount claimed in 11,808 cases, the amount claimed in the other 1,647 cases not being stated.

MISCELLANEOUS CLAIMS for fiscal year 1881-82.—Continued.

	Oregon and Washington Indian war claims, 1855-56.			Lost vessels, &c., under act of March 3, 1849.		
	Number.	Amount claimed.	Amount allowed.	Number.	Amount claimed.	Amount allowed.
On hand June 30, 1881	688	\$36,308 52	.....	71	\$722,728 87	.....
Received during the year	38	4,970 55	.....	1	175 00	.....
Total	726	11,369 07	.....	72	722,903 87	.....
Disposed of during the year	36	35,321 82	\$2,706 31	2	50,000 00	\$30,000 00
On hand June 30, 1882	690	46,047 25	.....	70	672,903 87	.....

e This is the amount claimed in 222 cases, the amount claimed in the other 366 cases not being stated.

f This is the amount claimed in 21 cases, the amount claimed in the other 17 cases not being stated.

g This is the amount claimed in 23 cases, the amount claimed in the other 11 cases not being stated.

h This is the amount claimed in 320 cases, the amount claimed in the other 370 cases not being stated.

Number of letters written during the year, 1,995.

STATE AND HORSE CLAIMS DIVISION.

The duties of this division embrace the settlement, under the various acts and resolutions of Congress relating thereto, of all claims of the several States and Territories for the costs, charges, and expenses properly incurred by them for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting their troops, employed in aiding to suppress the recent insurrection against the United States, and all claims arising out of Indian and other border invasions. Also the settlement of claims for compensation for loss of horses and equipage sustained by officers or enlisted men while in the military service of the United States, and for the loss of horses, mules, oxen, wagons, sleighs, and harness, while in said service, by impressment or contract.

State claims.	Original account.		Suspended account.	
	Number.	Amount.	Number.	Amount.
On hand June 30, 1881	13	\$4,769,358 87	31	\$4,932,597 50
Received during the year	1	80,981 67	1	62,143 12
Total	14	4,859,340 54	32	4,994,740 62
Reported during the fiscal year	4	514,320 42	5	141,888 20
On hand June 30, 1882	10	4,345,020 12	27	4,852,852 42

Horse claims.	Original account.			
	Number.	Amount.	Number.	Amount.
On hand June 30, 1881 .....	.....	.....	4,791	\$875,341 17
Received during the fiscal year .....	.....	.....	277	42,930 15
Reconsidered during the fiscal year .....	.....	.....	177	11,389 59
Total .....	.....	.....	5,245	929,660 91
Allowed during the fiscal year	419	\$52,056 29	.....	.....
Disallowed on claims .....	.....	6,443 48	.....	.....
Rejected during the fiscal year	22	2,648 06	.....	.....
Total	441	61,147 83	.....	.....
Deduct as disposed of .....	.....	.....	441	61,147 83
On hand June 30, 1882 .....	.....	.....	4,804	\$88,513 08

Number of briefs, 416; number of claims examined and suspended, 1,535; number of letters received, 4,854; number of letters written, 5,523; number of clerks employed, 6.

ARMY PENSION DIVISION.

The duties of this division embrace the settlement of all accounts which pertain to the payment of Army pensions throughout the United States.

The following tables show the operations of the division during the fiscal year:

Army pensions, 1879 and prior years:

Amount refunded and deposited during the fiscal year..... \$6,160 95

Army pensions 1880:

Balance to credit of appropriation June 30, 1881..... 769,006 15

Amount refunded and deposited during the year..... 2,204 45

Total..... 771,210 60

Amount paid out on settlements during the year..... 1,258 33

Balance to credit of appropriation June 30, 1882..... 769,952 27

Army pensions, 1881.	Army.	Pay, &c.	Surgeons.	Total.
Balance on hand June 30, 1881.....	\$3,472 53	\$4,918 42	\$1,665 00	\$10,055 95
Amount deposited during the year.....	416,536 92	23,749 38	12,944 00	453,230 30
Total.....	420,009 45	28,667 80	14,609 00	463,286 25
Amount paid out on settlements.....	697 67			
Amount transferred to Navy pensions June 30, 1881.....		1,000 00		1,697 67
Balance to credit of appropriation June 30, 1882.....	419,311 78	27,667 80	14,609 00	461,588 58

Arrears of Army and Navy pensions.	Army.	Fees.	Total.
Amount appropriated, act January 29 and March 3, 1879.....	\$25,000,000 00	\$15,000 00	\$25,015,000 00
Amount appropriated, act May 31, 1880.....	500,000 00		500,000 00
Total.....	25,500,000 00	15,000 00	25,515,000 00
Amount disbursed by pension agents, 1879, "Army".....	4,019,327 33	1,884 00	4,021,411 33
Amount disbursed by pension agents, 1880, "Army".....	19,609,885 78	10,535 10	19,620,390 88
Amount disbursed by pension agents, 1881, "Army".....	667,979 05	446 70	668,425 75
Amount disbursed by pension agents, 1882, "Army".....	132,702 65	92 10	132,795 05
Total.....	24,430,094 81	12,958 20	24,443,053 01
	1,069,905 19	2,041 80	1,071,946 99

Army pensions, 1882.	Army.	Pay, &c.	Surgeons.	Total.
Amount appropriated, act March 3, 1881.....	\$48,400,000 00	\$244,000 00	\$240,000 00	\$48,884,000 00
Amount appropriated, act May 25, 1882.....	16,000,000 00			16,000,000 00
Amount transferred from Navy.....		2,500 00	6,000 00	8,500 00
Total.....	64,400,000 00	246,500 00	246,000 00	64,892,500 00
Amount to credit of appropriation undrawn.....	3,582,847 14	917 61	4,931 00	3,588,695 75
Amount drawn to be accounted for.....	60,817,152 86	245,582 39	241,069 00	61,303,804 25
Amount disbursed by pension agents.....	53,195,489 40	234,451 97	222,995 87	53,652,937 24
Unexpended balances in hands of pension agents, to be deposited.....	7,621,645 46	11,130 42	18,073 13	7,650,849 01
Amount paid on miscellaneous settlement.....	18 00			18 00
	60,817,152 86	245,582 39	241,069 00	61,303,804 25

The following table shows the number of accounts received and audited during the fiscal year:

	Army pensions.		Arrears of pensions.		Total.	
	No.	Amount.	No.	Amount.	No.	Amount.
Accounts on hand, June 30, 1881.....	173	\$37,616,697 11	80	\$191,973 41	253	\$37,808,670 52
Accounts received during the year.....	262	50,048,294 34	201	133,713 32	463	50,182,012 66
Total.....	375	87,664,991 45	281	325,687 73	656	87,990,683 18
Accounts reported to Second Comptroller.....	170	37,265,332 73	194	252,858 97	364	37,518,191 70
Accounts remaining unsettled June 30, 1882.....	205	50,399,658 72	87	72,832 76	292	50,472,491 48
Total.....	375	87,664,991 45	281	325,687 73	656	87,990,683 18

Pensioners recorded.....	27,142
Pensioners transferred.....	1,306
Pensioners increased.....	9,923
Pensioners restored.....	769
Certificates reissued.....	1,460
Changes noted.....	888
Corrections made.....	5,651
Arrears notifications recorded.....	12,436
Pension vouchers examined.....	828,175
Payments entered.....	772,574
Pages of abstract added.....	28,099
Pages of miscellaneous copied.....	4,825
Payments corrected.....	68
Surgeons' certificates copied.....	269
Vouchers withdrawn from files.....	4,633
Names and records copied.....	10,732
Letters received and registered.....	3,653
Letters written.....	3,662
Letters copied.....	2,911
Letters indexed.....	2,911
Pension checks verified before payment, 57, amounting to.....	\$1,478 45
Settlements for "lost checks" made, 31, amounting to.....	\$2,728 73
Settlements for "forged checks" made, 5, amounting to.....	\$300 67
Settlements for transportation on account of artificial limbs, 10, amounting to.....	\$138 35
Settlement for commutation on account of artificial limb, 1, amounting to.....	\$50 00
Settlement on account of stationery furnished pension agents, 1, amounting to.....	\$323 80
Supplemental settlements in July, 1881, 4, amounting to.....	\$6,241 41

The following tabular statement exhibits the number of accounts, and amount involved, on hand and unsettled July 1, 1869, together with those received and audited each fiscal year since:

	Received.		Audited.	
	Num-ber.	Amount.	Num-ber.	Amount.
On hand July 11, 1869.....	637	\$34,811,593 83		
Received and audited fiscal year 1870.....	714	27,743,819 29	631	\$25,596,876 39
Received and audited fiscal year 1871.....	930	28,513,262 44	789	32,813,334 28
Received and audited fiscal year 1872.....	684	28,061,597 26	900	40,000,205 68
Received and audited fiscal year 1873.....	711	28,756,702 92	795	33,926,556 19
Received and audited fiscal year 1874.....	864	29,708,332 26	786	26,431,956 71
Received and audited fiscal year 1875.....	798	29,572,855 54	619	19,888,428 52
Received and audited fiscal year 1876.....	741	28,348,161 99	1,150	48,443,036 92
Received and audited fiscal year 1877.....	834	27,899,350 30	952	34,067,985 43
Received and audited fiscal year 1878.....	538	33,194,149 18	715	34,133,041 52
Received and audited fiscal year 1879.....	256	26,123,111 64	281	25,765,870 58
Received and audited fiscal year 1880.....	547	61,010,132 95	277	31,169,748 01
Received and audited fiscal year 1881.....	449	50,666,841 54	555	54,973,059 39
Received and audited fiscal year 1882.....	455	50,191,885 62	416	37,528,064 66
Total.....	9,158	485,201,805 76	8,866	434,729,314 28
Deduct amount audited.....	8,866	434,729,314 28		
Balance on hand June 30, 1882.....	292	50,472,491 48		

A MOUNT DISBURSED BY PENSION AGENTS during the fiscal year ended June 30, 1882, as shown by their ACCOUNTS-CURRENT.

State.	Agency.	Agent.	Invalids.	Widows.	Minors.	Dependent relatives.	War of 1812.		Surgeons.	Salary.	Voucher fees.	Contingent.	Total.
							Survivors.	Widows.					
California.....	San Francisco.	Wm. H. Payne	\$55,197 32	\$3,546 87	\$428 80	\$96 00	\$908 00	\$473 60	\$11 00	\$323 33		\$52 30	\$89,955 92
Do.....	Do.	Henry Cox	312,866 99	28,628 17	11,154 07	10,591 47	3,000 00	9,929 85	1,270 00	3,663 67	\$697 05	636 81	382,461 61
Dist. Columbia.....	Washington.	Theodore Gaines	2,632,769 29	235,623 27	51,181 04	251,604 28	22,327 62	108,555 43	11,842 83	4,000 00	10,263 60	2,736 40	3,517,324 76
Indiana.....	Indianapolis.	Frederick Knicker	4,151,628 00	316,656 67	123,066 39	294,141 50	16,525 18	75,007 88	18,466 00	4,000 00	9,345 45	99 98	4,616,294 00
Illinois.....	Chicago.	Adair C. Sweet	3,708,310 32	418,613 06	101,247 63	321,366 15	29,305 39	82,191 27	19,969 80	4,000 00	11,893 05	807 30	4,281,224 18
Iowa.....	Des Moines.	Jacob Reck	2,652,566 11	228,991 63	56,819 01	177,742 55	6,418 56	41,631 49	13,372 00	4,000 00	7,245 30	700 37	3,135,364 50
Kansas.....	Topeka.	N. A. Adams	1,708,177 10	138,623 05	36,265 09	776,372 95	6,418 56	36,143 28	10,354 40	2,000 00	3,914 85	1,611 63	1,921,867 92
Kentucky.....	Louisville.	R. M. Kelly	338,492 46	233,492 59	39,131 99	132,429 95	14,792 89	76,998 33	4,926 95	4,000 00	2,972 40	1,29 20	1,217,391 50
Maine.....	Augusta.	S. John Connor	564,921 21	70,402 22	10,683 56	156,988 88	20,238 52	72,815 33	3,318 50	1,611 11	2,754 30	254 76	843,148 42
Massachusetts.....	Boston.	D. W. Goodell	2,487,662 51	563,964 52	29,355 49	429,223 88	35,523 47	149,567 25	14,407 00	4,000 00	10,696 05	93 22	3,724,063 56
Michigan.....	Lansing.	Samuel Post	1,687,35 8 47	199,699 42	32,928 83	170,167 60	19,781 49	53,292 12	10,726 00	4,000 00	5,897 40	1,000 34	2,136,732 16
Minnesota.....	St. Paul.	Rufus Carpenter	946,611 00	81,500 83	21,702 98	39,954 73	3,956 80	19,365 13	2,749 00	1,533 33	1,880 10	1,117 70	1,191,653 50
Missouri.....	St. Louis.	N. A. Adams	345,019 55	52,008 99	5,262 98	18,096 00	3,549 37	16,715 69	3,998 00	406 66	1,803 45	232 10	416,152 80
New Hampshire.....	Concord.	E. L. Whitford	9,033,784 36	627,666 00	48,669 04	417,934 72	48,937 98	161,729 40	11,265 00	4,000 00	8,381 83	1,663 79	3,008,661 14
New York.....	Schenectady.	T. E. Pratt	2,511,631 61	418,251 71	83,629 72	544,234 53	54,692 36	154,357 38	14,578 04	4,000 00	10,610 40	1,439 29	3,761,465 04
Do.....	New York City.	C. E. Crocker	1,508,357 99	438,962 65	32,249 57	304,610 93	25,676 13	106,708 06	9,175 80	4,000 00	7,506 30	5,610 38	2,482,398 81
Ohio.....	Columbus.	A. T. Wilford	3,510,622 64	632,369 12	80,659 35	384,200 00	37,288 41	183,970 83	21,397 46	4,000 00	12,729 30	3,573 86	4,205,367 71
Pennsylvania.....	Philadelphia.	W. A. Brown	2,143,275 48	289,356 82	28,724 80	321,977 83	13,630 64	62,150 93	13,000 00	4,000 00	7,638 30	1,434 11	2,796,220 04
Do.....	Philadelphia.	H. G. Seckel	2,113,305 50	435,650 07	46,659 16	308,267 89	11,816 81	71,611 65	16,882 25	4,000 00	9,486 30	1,787 64	3,048,820 27
Tennessee.....	Knoxville.	D. T. Horton	1,155,182 72	567,294 27	77,002 76	146,868 52	96,199 28	510,869 81	10,492 90	4,000 00	8,189 70	726 60	2,487,666 56
Wisconsin.....	Milwaukee.	E. D. Ferguson	2,147,741 63	229,922 28	29,414 61	229,427 60	13,218 73	34,033 90	10,836 00	4,000 00	6,231 63	40 06	2,705,066 46
Total.....			38,890,292 26 6	291,204 21	218,678 74	737,908 02	478,274 85	2,024,188 70	222,995 87	69,611 10	140,957 30	21,891 53	6,36,781 86
Deduct overdraws on account of overpayments.....			1,672 44	1,010 88	81 00	1,633 67		18 96			8 30		3,844 62
Total.....			38,888,319 82 6	290,253 33	218,597 75	736,274 35	478,274 85	2,024,188 70	222,965 87	69,611 10	140,949 00	21,891 53	6,362,937 24

* Agency established by executive order January 1, 1882.

† Agency transferred to Topeka, Kansas, January 1, 1882.

AMOUNT of "ARREARS of PENSIONS" DISBURSED during the fiscal year ended June 30, 1882, by PENSION AGENTS.

State.	Agency.	Agent.	Invalids.	Widows.	Voucher fees.	Total.
California.....	San Francisco	Henry Cox	\$803 90	.....	\$0 60	\$804 50
District of Columbia.....	Washington	Theophilus Gaines	7,626 00	\$4,139 06	6 60	11,771 75
Indiana.....	Indianapolis	Frederick Kneifer	11,294 45	780 87	6 60	12,072 22
Illinois.....	Chicago	Ada C. Sweet	8,583 87	2,372 76	9 00	10,955 63
Iowa.....	Des Moines	Jacob Rich	2,504 94	.....	1 80	2,506 74
Kansas.....	Topeka	N. A. Adams	2,637 06	2,009 87	5 40	4,652 33
Kentucky.....	Louisville	R. M. Kelly	4,921 51	562 40	3 00	5,486 71
Maine.....	Augusta	Selden Connor	1,769 12	.....	60	1,769 72
Massachusetts.....	Boston	D. W. Good	4,390 63	827 21	3 00	5,220 84
Michigan.....	Detroit	Samuel Post	4,763 26	.....	3 90	4,766 26
Missouri.....	Saint Louis	Rufus Campion	2,810 20	1,729 35	3 30	4,542 85
Do.....	do	N. A. Adams	917 60	.....	60	918 20
New Hampshire.....	Concord	E. L. Whitford	3,329 29	2,283 32	3 90	5,616 51
New York.....	Syracuse	T. L. Poole	3,631 63	4,569 94	7 20	8,199 77
Do.....	New York City	C. R. Coster	6,858 43	2,632 41	7 20	9,478 04
Ohio.....	Columbus	A. T. Wilkoff	9,542 83	3,375 00	5 70	12,913 53
Pennsylvania.....	Pittsburgh	W. A. Heron	1,511 97	1,181 81	4 50	2,697 28
Do.....	Philadelphia	H. G. Sichel	7,921 82	2,688 37	6 90	10,616 99
Tennessee.....	Knoxville	D. T. Boynton	3,334 67	6,723 45	5 70	10,063 82
Wisconsin.....	Milwaukee	Ed. Ferguson	6,850 78	3,056 05	7 30	9,914 13
Total.....			96,993 15	35,823 35	92 40	132,908 70
Deduct credits on account of overpayments.....			113 44	31		144 55
Total.....			96,879 71	35,822 04	92 40	132,795 05

AMOUNT of UNEXPENDED BALANCES in HANDS of PENSION AGENTS, June 30, 1882.

State.	Agency.	Agent.	Army pensions.			Arrears of pensions.		
			Army.	Surgeons.	Pay, &c.	Total.	Arrears.	Voucher fees.
California	San Francisco	Henry Cox	\$26,342 60	\$217 00	\$1,231 43	\$27,791 03	\$9,196 10	\$4 40
District of Columbia	Washington	Theophilus Gaines	605,542 07	1,157 17	.....	606,699 24	17,371 68	1 20
Indiana	Indianapolis	Frederick Kneller	190,322 12	1,118 00	.....	190,440 12	14,218 58	5 50
Illinois	Chicago	Adair C. Sweet	263,398 37	.....	.....	266,638 22	22,571 28	93 70
Iowa	Des Moines	Joseph Rich	286,817 54	1,628 00	1,239 63	290,629 67	10,603 34	3 40
Kentucky	Louisville	R. M. Kelly	46,105 39	3,533 05	538 53	97,517 19	10,704 01	8 40
Massachusetts	Foston	D. W. Grouch	401,756 88	3,533 60	710 53	406,000 44	69,890 41	106 70
Michigan	Detroit	N. A. Adams	500,393 43	.....	.....	500,155 56	5,924 80	19 70
Minnesota	St. Paul	Samuel Post	368,557 58	1,274 00	442 41	370,273 99	5,779 63	19 00
New Hampshire	Concord	E. L. Whitford	401,838 50	1,405 00	14 36	403,357 86	116,660 56	25 40
New York	Syracuse	T. L. Poole	217,212 69	1,121 96	.....	217,334 65	15,334 15	60 00
Ohio	New York City	C. R. Foster	627,623 01	572 20	1,757 72	629,952 93	18,430 87	18 30
Idaho	Idaho Falls	A. T. Wilford	791,161 89	2 60	296 04	791,460 49	6,411 15	4 70
Pennsylvania	Pittsburgh	W. A. Horton	352,952 37	.....	27 59	353,279 96	11,433 81	27 60
Tennessee	Memphis	H. G. Sichel	758,406 52	2,117 73	746 03	761,330 33	9,898 92	908 30
Wisconsin	Knoxville	D. T. Boynton	530,748 64	307 10	2,083 70	533,339 44	15,970 55	129 60
Maine	Milwaukee	Ed. Ferguson	697,153 91	1,104 00	345 70	698,603 61	3,748 94	9 40
	Augusta	Selden Connor	334,390 25	3,681 50	379 85	338,851 58	13,230 88	9 40
Total			7,621,645 46	18,673 13	12,469 86	7,652,128 45	373,912 54	695 40
Due agents, J. Kneller, \$100 00; T. L. Poole, \$40 00; and C. R. Foster, \$764 10.					1,279 44	1,279 44	.....	.....
Total			7,621,645 46	18,673 13	11,130 42	7,650,849 01	.....	.....

The average number of clerks employed in the Pension Division during the year, 40.

COLLECTION DIVISION.

STATEMENT of BUSINESS TRANSACTED by the COLLECTION DIVISION during the fiscal year ended June 30, 1882.

	Entries on register.	Number of special cases.	Accounts referred to.	Bounty land and pension cases examined.	Letters written.	Names of soldiers of war of 1812 abstracted.	Days comparing.	Cases prepared for suit.	Transcripts prepared for authentication.
July, 1881	1,192	255	3,255	133	286	22,437	38	1	.....
August, 1881 .....	.....	128	2,401	117	160	22,455	28	.....	.....
September, 1881	720	212	3,318	25	252	14,048	46	.....	.....
October, 1881	576	367	6,782	85	581	20,036	32	.....	.....
November, 1881	582	354	5,667	148	352	24,774	40	.....	.....
December, 1881	663	334	6,024	9	348	20,268	54	1	.....
January, 1882	114	313	6,303	80	310	18,062	52	.....	.....
February, 1882	1,245	344	6,360	102	349	14,423	42	4	.....
March, 1882	990	336	6,582	137	350	21,311	54	.....	.....
April, 1882	586	259	4,536	156	261	19,999	50	.....	.....
May, 1882	575	295	5,104	96	223	20,338	54	.....	.....
June, 1882	814	273	5,552	120	295	16,592	52	1	12
Total.....	8,077	3,410	61,884	1,208	3,567	235,843	542	7	12

There have been added to the files during the year new settlements as follows, viz: Miscellaneous claims, 3,505; money accounts of disbursing officers of the Army, 1,463; accounts of agents for paying Army pensions, 227; property returns of Army officers, 2,298; making a total of 7,493. A portion of the old settlements have been rearranged and relabeled, and a large number of mutilated abstracts have been repaired. All the records are now systematically arranged, and the old rooms are entirely filled. The room formerly occupied by the Bureau of Engraving and Printing, and assigned to this office, is not yet half filled, and it will suffice for at least three years. The records are in a good state of preservation. Four clerks have been constantly employed in arranging and keeping the files in good condition.

There were eight lady copyists employed in this office during the year. The number of pages copied and compared was as follows, viz: Miscellaneous papers, 17,780 pages; difference sheets, 1,480; letters, 5,575; total, 23,835. The papers received for copying and registered, were: Miscellaneous, 3,588; difference sheets, 480; total, 4,068.

Under the provisions of section 886 of the Revised Statutes, in cases where suit is instituted to collect money due from pension agents the transcripts can be certified only by the Register of the Treasury, who has nothing whatever to do either with the settlement of said account or the custody of the same after settlement, and who can have no knowledge respecting the correctness of the transcript, except that gained from the Third Auditor. The Third Auditor is also without authority to certify transcripts for suit against failing contractors and other persons charged upon the books of his office. To remedy this defect in the law I respectfully suggest that section 886 of the Revised Statutes ought to be so amended as to provide that upon the trial of a suit against any person, on a contract with the United States, express or implied, or against any person accountable for public money, or the sureties of such person, a transcript from the books and proceedings of the Auditor of the Treasury Department, charged with the examination and settlement of the account with such person or persons, certi-

fied by the Auditor and authenticated under the seal of the Treasury Department shall be admitted on the trial of such suit as evidence of the balance due to the United States, and be entitled to the same degree of credit which would be due to the original papers or records if produced and authenticated in court.

By the act of Congress approved June 23, 1874, and the act of Congress approved March 3, 1875, authority is given the Secretary of War to pay the expenses of operating and keeping in repair the telegraph lines constructed and operated by the War Department in Texas, New Mexico, the Territory of Arizona, &c., out of any moneys received for dispatches sent over said lines, and any balance remaining after the payment of such expenses must be covered into the Treasury as a miscellaneous receipt. Under the construction placed by the accounting officers under the several acts making appropriations for the construction, maintenance, operating, and keeping in repair the several telegraph lines under the control of the War Department, all funds received from the public for the transmission of private dispatches (excepting receipts from line extending from Bismarck, Dak., to Fort Ellis, Mont.) may be used by the War Department as hereinbefore indicated, instead of making deposit of the same in the Treasury, and said sums enter into the gross amount disbursed by the Signal Bureau of the War Department during a given fiscal year, but do not constitute any portion of the sums specifically appropriated by Congress in the usual manner, such funds having never been in the Treasury, thereby showing an excess of expenditures over amounts appropriated by Congress for that particular service. Section 3617 Revised Statutes, second edition, provides that the gross amount of all moneys received from whatever source for the use of the United States, except as otherwise provided in section 3618, shall be paid by the officer or agent receiving the same, into the Treasury at as early a day as practicable, without any abatement or deduction on account of salary, fees, costs, charges, expenses, or claim of any description whatever. Receipts from these telegraph lines are not embraced within the provisions of section 3618, and are not exceptions to the general law bearing upon the subject.

I think it requires no argument to show the wisdom of a provision of law which keeps the expenditure of the public revenue entirely under the control of Congress; and I am of opinion that a wise policy dictates that every dollar expended for the support of the government in all its branches should be traced directly to the Treasury, and the authority under which it was drawn therefrom. Inasmuch, therefore, as there appears to be a conflict between section 3617 of the Revised Statutes and the acts recited, I would respectfully suggest the propriety of legislation requiring all moneys received for the transmission of private dispatches over any and all of the lines owned or operated by the general government, to be deposited in the Treasury.

I respectfully renew my recommendation in regard to a statute of limitation. Such statutes are no longer looked upon with disfavor by courts or legislative bodies, and provisions of this kind respecting suits between individuals are, I believe, nearly universal. That which is everywhere conceded to be wise and just as between citizens of a State can but be considered fair and just as between the citizen and the State. Few claims that are fair and honest fail of presentation within six years from their origin, and the claimant who waits longer, if laboring under no legal disability, should be barred, in my opinion. One thing is certain, no one can be familiar with the business of this office for any period, however brief, without being thoroughly convinced that such a

limitation would be of great value as a protection to the public Treasury, would remove a great temptation from the viciously inclined, and would give much needed relief to the Executive Departments.

I take pleasure in bearing testimony to the general good character, intelligence, and diligence of the persons employed in this bureau, and commend them for the faithful manner in which they have discharged their duties.

Respectfully submitted.

E. W. KEIGHTLEY,
Auditor.

Hon. CHARLES J. FOLGER,
Secretary of the Treasury.

REPORT OF THE FOURTH AUDITOR OF THE TREASURY.

TREASURY DEPARTMENT,
FOURTH AUDITOR'S OFFICE,
Washington, November 1, 1882.

SIR: In accordance with the law requiring the Auditor charged with the examination of the accounts of the Department of the Navy to report annually, on the first Monday in November, to the Secretary of the Treasury, the application of the money appropriated for the Navy Department, I have the honor to submit the following tabular statements for the fiscal year ending June 30, 1882, with such comments and explanations as they seem to require at my hands.

Disbursing officers in foreign waters, as authorized by law, make their payments from a fund (which has been drawn from the Treasury under a "general account of advances,") charging each particular payment to its proper appropriation, subject to revision here. Monthly statements of these expenditures are made to this office. Many of them, of course, are not received until weeks, in some cases months, after the close of the fiscal year, but all were in when the table immediately following was made up, and which is designed to exhibit the several appropriations made by Congress, and the expenditures with which they are properly chargeable, as shown by the reports of the officers who have disbursed the money. Pay officers at home draw money under the respective heads of appropriation, keeping in hand sufficient sums to meet current liabilities, and returning unavailable balances to the Treasury, as required by law. Appropriations with balances to their credit will still be drawn upon to meet liabilities lawfully incurred during the fiscal year. Payments of the latter character are shown in this table where expenditures under appropriations for years prior to 1882 are mentioned. It will be observed that the aggregate payments during the year are a little less than the aggregate of the appropriations for 1882. Some appropriations have been overexpended, some deficiencies have already been made good by appropriations, while others remain for the future consideration of Congress. A deficiency not made good by a subsequent appropriation must fall at last upon the continuous appropriations—to wit, Pay of the Navy and the Marine Corps. To the credit of these appropriations there were standing at the beginning of the fiscal year: Pay of the Navy, \$1,747,521.73, and Pay of the Marine Corps, \$798,712.25. These sums have been added to their respective appropriations in the following table, making the amounts available for the year for pay of officers and men:

APPROPRIATIONS and EXPENDITURES of the UNITED STATES NAVY for the fiscal year ending June 30, 1882.

Title of appropriation.												
Year.	Amount appropriated.	Amount drawn out by warrant.	Balance in hand June 30, 1882.	Amount expended as shown by vouchers.	Amount overpaid.	Amount appropriated per deficiency bill, act of August 5, 1882.						
1882	226,171 73	\$7,197,103 68	\$1,629,067 75	\$6,771,135 24			Pay of the Navy.....					
1882	486,725 00	339,982 61	146,762 39	374,949 08			Pay, instructors.....					
1882	100,000 00	99,987 18	12 82	110,616 30	\$10,616 30	\$43,380 00	Confederate Navy.....					
1882	798,712 25	613,261 29	185,450 96	590,550 56			Pay, Marine Corps.....					
1882	25,000 00	25,000 00		26,672 86	1,672 86	1,500 00	Contingent Marine Corps.....					
1882	68,013 10	52,610 84	15,402 26	50,743 98			Provisions, Marine Corps.....					
1882	73,639 00	75,637 80	1 20	76,958 11	1,290 11	19,681 00	Clothing, Marine Corps.....					
1882	18,496 50	17,986 69	510 41	17,135 37			Fuel, Marine Corps.....					
1882	11,284 92	11,284 92	1 58	10,375 04			Military stores, Marine Corps.....					
1882	7,900 00	6,976 52	23 48	6,938 20			Transportation and recruiting, Marine Corps.....					
1882	13,093 00	12,999 10	90	12,258 94			Repairs of batteries, Marine Corps.....					
1882	759 00	759 00		745 29			Forage for horses, Marine Corps.....					
1882	1,000 00	1,000 00		990 71			Marine battalions, Washington, D. C.....					
1882	40,000 00	40,000 00		40,001 50	1 50		Marine battalions, Naval Academy.....					
1882	54,576 00	51,940 00	2,676 00	51,796 45			Pay, professors and others, Naval Academy.....					
1882	24,135 00	24,435 00		24,455 00			Pay, wardens and others, Naval Academy.....					
1882	16,835 95	16,835 95		16,863 93			Pay, mechanics and others, Naval Academy.....					
1882	8,577 50	8,577 50		8,146 10			Pay, steam employees and others, Naval Academy.....					
1882	24,000 00	24,000 00		22,543 01			Repairs, Naval Academy.....					
1882	17,000 00	17,000 00		16,162 58			Heating and lighting, Naval Academy.....					
1882	2,000 00	2,000 00		1,135 11			Library, Naval Academy.....					
1882	2,000 00	2,000 00		1,643 88			Stationery, Naval Academy.....					
1882	2,600 00	2,600 00		2,600 00			Board of Visitors, Naval Academy.....					
1882	2,500 00	2,500 00		2,280 48			Chemistry, Naval Academy.....					
1882	34,600 00	34,600 00		34,593 43			Miscellaneous, Naval Academy.....					
1882	800 00	800 00		657 84			Stores, Naval Academy.....					
1882	1,000 00	1,000 00		749 19			Materials, Naval Academy.....					
1882	95,000 00	95,000 00		94,999 93			Armory, Naval Academy.....					
1882	111,000 00	99,131 58	11,868 42	103,659 51			Navigation and navigation supplies.....					
1882	2,000 00	1,963 37	35 63	3,195 55	1,195 55	2,000 00	Contingent navigation.....					
1882	10,417 25	10,411 09	6 16	10,285 07			Civil establishments, navigation.....					
1882	49,000 00	41,623 03	7,376 97	44,175 88			Hydrographic work.....					
1882	27,886 25	27,069 28	876 97	26,033 39			Naval Observatory.....					
1882	23,500 00	20,277 03	3,222 97	20,277 03			Nautical Almanac.....					

APPROPRIATIONS AND EXPENDITURES of the UNITED STATES NAVY, &c.—Continued.

Title of appropriation.	Year.	Amount appropriated.	Amount drawn out by warrant.	Balance in hand June 30, 1882.	Amount expended as shown by vouchers.	Amount overpaid.	Amount appropriated per deficiency bill, act of August 5, 1882.
Ordnance and ordnance stores.....	1882	\$220,000 00	\$180,677 01	\$39,322 99	\$187,012 13		
Contingent, ordnance.....	1882	5,500 00	5,498 64	1 31	4,532 43	\$1,022 43	\$1,500 00
Civil establishment, ordnance.....	1882	11,886 25	11,794 58	91 67	11,707 78		
Torpedo Corps.....	1882	45,000 00	33,942 65	11,057 35	33,742 58		
Equipment of vessels.....	1882	825,000 00	819,770 32	5,229 68	924,278 06	99,278 06	
Contingent, equipment and recruiting.....	1882	55,000 00	54,997 03	2 97	60,154 14	5,154 14	12,000 00
Civil establishment, equipment.....	1882	18,251 75	18,251 75		18,081 63		
Headstones, Naval Cemetery, Philadelphia.....	1882	18,445 00	88 50	356 50	18 50		
Preservation of cemeteries in foreign countries.....	1882	3,000 00	292 50	2,707 50	151 24		
Maintenance, yards and docks.....	1882	440,000 00	427,710 60	12,289 40	428,302 81		
Contingent, yards and docks.....	1882	20,000 00	15,005 58	4,994 42	15,269 49		
Civil establishment, yards and docks.....	1882	37,906 25	37,906 09	16	37,769 87		
Navy-yard, Boston, repairs rope walk.....	1881	1,207 25	1,185 39	21 86	1,271 10		
Navy-yard, Portsmouth, N. H.....	1882	5,000 00	5,000 00		3,861 24		
Navy-yard, Norfolk, Va.....	1882	5,000 00	4,809 00	1 00	4,999 00		
Navy-yard, Mare Island, Cal.....	1882	200,000 00	198,006 49	1,993 51	196,501 99		
Navy-yard, Pensacola, Fla.....	1882	75,000 00	41,269 39	33,730 61	39,597 08		
Repairs and preservation at navy-yards.....	1882	200,000 00	279,809 19	20,410 81	276,717 89		
Naval Asylum, Philadelphia.....	1882	59,813 00	47,746 61	12,066 39	48,870 08		
Medical Department, medicine and surgery.....	1882	45,000 00	40,205 13	4,794 87	42,112 00		
Naval hospital fund.....	1882	50,000 00	48,559 22	1,440 78	43,782 39		
Repairs, medicine and surgery.....	1882	30,000 00	23,888 05	6,111 95	21,487 00		
Contingent, medicine and surgery.....	1882	15,000 00	12,957 91	2,042 09	11,037 57		
Civil establishment, medicine and surgery.....	1882	40,000 00	39,614 76	385 24	39,154 99		
Naval Laboratory, Washington.....	1882	1,500 00	1,497 74	2 26	666 33		
Naval hospital fund.....	1882	1,200,000 00	1,037,033 77	162,966 23	53,997 58		
Provisions, Navy.....	1882	60,000 00	22,436 37	37,563 63	1,194,825 31		
Contingent, provisions and clothing.....	1882	12,411 50	12,411 50		42,945 13		
Civil establishment, provisions and clothing.....	1882	1,350,000 00	1,328,767 17	21,232 83	1,352 89		
Construction and repair.....	1881	10,004 00	19,063 22	78	1,341,319 55		
Construction and repair.....	1882	40,105 75	40,063 22	78	19,881 20		
Civil establishment, construction and repair.....	1882	800,000 00	787,301 61	39 39	39,841 82		
Steam machinery.....	1882			12,008 35	791,43 50		

APPROPRIATIONS and EXPENDITURES of the UNITED STATES NAVY, &c.—Continued.

Title of appropriation.	Year.	Amount appropriated.	Amount drawn out by warrant.	Balance in hand June 30, 1882.	Amount expended as shown by vouchers.	Amount overpaid.	Amount appropriated per deficiency bill, act of August 5, 1882.
Pay, Navy, prior to July 1, 1878.					\$339 52		
Pay, Marine Corps, prior to July 1, 1878.					87 44		
Enlistment bounty to seamen prior to July 1, 1878.					176 58		
Bounty for destruction of enemies' vessels prior to July 1, 1878.					37 75		
Indemnity for lost clothing prior to July 1, 1878.					50 00		
Relief of John H. Riley, of California.		\$300 00	\$300 00		300 00		
Illustrations, transit of Venus.					617 00		
Contingent, equipment and recruiting, 1878 and prior years.					29 77		
Construction and repair, timber.					139 52		
New propeller, United States steamer Alarm.					4,715 11		
Indemnity for lost clothing.		20,000 00	20,000 00		21 43		
Completing torpedo-boat experiments, United States steamer Alarm.					20,000 00		
Destruction of bedding and clothing for sanitary reasons.					288 67		
Bounty for destruction of enemies' vessels.					235 50		
Gratuity to machinists in lieu of reenlistments.					31,212 00		
Charts of the Pacific coast of Mexico.					4,565 90		
Charts of Amazon and Madeira Rivers.					1,475 00		
Sale of small-arms.					10,295 03		
Clothing, Navy.					151,498 22		
Small stores.					82,373 50		
Extra pay to officers and men who served in the Mexican war.					8,930 00		
Observation of the transit of Venus.					518 19		
Total.		17,152,581 66	14,553,066 90	\$2,696,661 06	15,195,836 65	\$120,249 93	\$53,981 00

EXCHANGE.

Bills of exchange were sold by the pay officers of the Department of the Navy during the year to the amount of \$1,767,723.75. Of this sum, \$1,355,137.71 was drawn on Messrs. Seligman Brothers, London, and \$412,586.04 on the Secretary of the Navy. The following tables show these transactions in detail:

DRAFTS DRAWN ON SELIGMAN BROTHERS, NAVY AGENTS, LONDON, ENGLAND.

	Amount.		Amount.	Amount re- ceived.	Loss.	Gain.
	£	s. d.				
Acapulco, Mexico.....	1,074	17 10	\$5,230 97	\$5,241 60		\$10 03
Alexandria, Egypt.....	400	0 0	1,946 60	1,951 23		4 63
Apoa, Samoa.....	2,200	0 0	10,706 30	10,032 00	\$674 30	
Bordeaux, France.....	1,000	0 0	4,866 50	4,878 20		6 75
Callao, Peru.....	1,883	10 0	9,566 05	8,927 69	738 36	10 68
Cape Town, Africa.....	9,500	0 0	46,231 75	46,129 55	102 20	
Chefoo, China.....	1,000	0 0	4,866 50	4,715 60	150 90	
Florence, Italy.....	5,060	0 0	24,332 50	24,125 00	207 50	
Funchal, Madeira.....	5,365	0 0	26,168 77	26,002 77	166 00	
Genoa, Italy.....	3,000	0 0	14,599 50	14,632 65		23 15
Gibraltar, Spain.....	9,033	11 0	43,961 77	43,894 02	114 50	6 75
Gravesend, England.....	800	0 0	3,893 20	3,893 20	Par	
Hioogo, Japan.....	2,000	0 0	9,733 00	9,554 82	208 68	
Hong-Kong, China.....	10,500	0 0	51,698 25	49,893 15	1,205 06	
Iquique, Peru.....	283	1 3	1,377 52	1,377 52	Par	
Kobe, Japan.....	26,368	9 9	176,987 24	169,255 78	7,731 46	
Leghorn, Italy.....	2,000	0 0	9,733 00	9,669 30	63 70	
Lima, Peru.....	576	0 0	2,803 10	2,803 10	Par	
London, England.....	600	0 0	2,919 90	2,919 90	Par	
Marseilles, France.....	6,000	0 0	29,199 00	29,173 48	25 52	2 88
Montevideo, Uruguay.....	49,000	0 0	238,458 50	236,921 21	1,627 61	99 32
Nagasaki, Japan.....	5,500	0 0	26,765 75	25,793 12	972 63	
Naples, Italy.....	7,000	0 0	34,065 50	33,934 22	131 28	
Nice, France.....	63,300	0 0	308,049 45	306,817 91	1,231 54	
Paris, France.....	1,000	0 0	4,866 50	4,861 67	4 83	
Piræus, Greece.....	500	0 0	2,433 25	2,433 25	Par	
Plymouth, England.....	6,000	0 0	29,199 00	29,155 20	43 80	
Rio de Janeiro, Brazil.....	5,000	0 0	24,332 50	24,138 15	225 28	30 93
Sandy Point, Patagonia.....	500	0 0	2,433 25	2,433 25	Par	
Santa Anna, Cuzco, West Indies.....	500	0 0	2,433 25	2,406 62	26 63	
Shanghai, China.....	2,000	0 0	9,733 00	9,403 93	329 07	
Singapore.....	1,000	0 0	4,866 50	4,702 68	163 82	
Smyrna, Turkey.....	2,000	0 0	9,733 00	9,619 12	113 88	
Stanley Port, Falkland Islands.....	300	0 0	1,459 95	1,459 95	Par	
Trieste, Austria.....	2,000	0 0	9,733 00	9,669 30	63 70	
Valparaiso, Chili.....	178	0 0	2,326 19	2,326 19	Par	
West Cowes, Isle of Wight.....	2,000	0 0	9,733 00	9,720 83	12 17	
Yokohama, Japan.....	21,800	0 0	154,754 70	150,527 18	4,227 52	
Total.....	278,462	9 10	1,355,137 71	1,355,468 93	20,614 80	286 12

DRAFTS DRAWN ON THE SECRETARY OF THE NAVY.

	Amount	Amount Received	Loss.	Gain.
Acapulco, Mexico.....	\$16,183 57	\$16,183 57	Par	
Aspinwall, United States of Colombia.....	11,000 00	11,000 00	Par	
Beaufort, South Carolina.....	4,000 00	4,000 00	Par	
Callao, Peru.....	8,000 00	8,000 00	Par	
Fayal, Azores.....	4,000 00	4,000 00	Par	
Lima, Peru.....	68,277 49	68,277 49	Par	
Mazatlan, Mexico.....	2,000 00	2,000 00	Par	
Panama, United States of Colombia.....	67,817 13	67,872 13	55 00	
Santa Anna, Cuzco, West Indies.....	2,433 25	2,433 25	Par	
Santiago, Cape Verde Islands.....	110 00	100 00	10 00	
Tahiti, Society Islands.....	15,500 00	15,500 00	Par	
Valparaiso, Chili.....	13,562 27	13,562 27	Par	
Victoria, British Columbia.....	15,500 00	15,497 19	2 81	
Yokohama, Japan.....	150,527 18	150,527 18	Par	
Total.....	412,586 04	412,586 04	4 63	2 81

The sum of these transactions for the past year, in comparison with those of the two previous years, is shown by the following statement:

EXCHANGE SOLD in 1882, 1881, and 1880.

Drawn on—	Year.	Amount.	Loss.	Gain.
United States.....	1882	\$412,586 04	\$4,679 28	\$9 60
London.....	1882	1,355,137 71	20,014 90	286 12
Total.....		1,767,723 75	24,694 18	295 72
United States.....	1881	78,044 30	1,531 38	102 50
London.....	1881	1,767,333 09	26,263 00	891 97
Total.....		1,845,377 39	27,799 38	994 47
United States.....	1880	188,590 91	611 65	328 84
London.....	1880	1,746,887 39	27,475 15	1,130 79
Total.....		1,935,478 30	28,089 20	1,459 63

Pay officers are instructed to draw on the Secretary of the Navy when such bills can be as advantageously sold as those drawn on London. It will be seen that the drafts on the Secretary during the past year were very considerably increased over those of the two previous years. In the autumn of 1881, Paymaster Foster sold in Yokohama, Japan, bills to the amount of \$156,000 on the Secretary, and received \$771.82 more than he would had the same amount been sold on London. The condition of the market was rather exceptional at that time, due largely to the fact that London was sending large sums to New York to pay the balance of trade then in our favor. It seems probable that conditions which will be favorable to the sale of United States bills will increase, as our own trade is extended to distant nations, and as the balance of trade is favorable to us in our transactions with European countries. London is still the money center, the world's clearing-house, and is likely to remain so for many years to come. Our progress in that direction is not very rapid, but it must in the end be sure. The above tables are indications pointing that way.

In accordance with the suggestion made in my report two years ago some of the pay officers are in the habit of sending with their report of sales clippings of market reports in the daily papers of even date, showing that they have obtained the highest market rates, or even better at times when active competition has been invited. The following extract from a letter of Paymaster Foster, written at Yokohama, Japan, February 10, 1882, will illustrate this:

I inclose a cutting from the Japan Gazette, of Yokohama, Japan, of February 9, 1882 (evening edition), showing the rate of exchange on the day of sale for silver yen, in which the bill was negotiated. The published bank selling rates were 3s. 8½d. sterling for bank bills on demand on London, and 90 cents United States gold, on New York, per silver yen. Bids were requested from five banks, and the best rates obtainable were 3s. 8¼d. sterling, and 91 cents, respectively, per silver yen. The sterling exchange shows but a reasonable difference between the buying and selling price, but on Washington exchange the margin is larger, owing to the expected rise in exchange between New York and London, on account of the close of the American export season. The bill was drawn on London, that rate being more favorable by \$4.92, United States coin, and it will probably continue so for several months. Washington exchange was more favorable from September, 1881, to January, 1882, inclusive.

ACCOUNT WITH SELIGMAN BROTHERS.

A commission of 1 per cent. is paid to Seligman Brothers, London, for disbursements made by them. Their commissions for the year amounted

to \$14,760.36. They pay 4 per cent. interest on daily balances remaining on deposit with them; and receive 5 per cent. interest on advances they make. The interest paid by them during the year was \$4,969.56; and that received \$1,650.27, making the net interest received by the department \$3,319.29. Money is transferred to London from New York by means of sixty-day bills. Exchange was favorable during the greater part of the year, and the net gain from this source was \$7,220.16.

THE PUBLIC CREDIT.

I have respectfully to suggest in reference to the work of the London fiscal agents that it could be equally well done by one of the Navy Department's own disbursing officers, thereby saving the commission now paid, and adding otherwise but little to current expenses. Such a change would also comport with the dignity and character of the Government, which should be able to transact its business at home and abroad by the agency of its own citizens and officers. There are in the pay corps of the Navy men of ample experience and ability for such a trust, also of high and unquestioned character. If this suggestion should not be thought feasible, then at least the commission paid should be reduced to not more than one-half of what it now is. One-half of 1 per cent. would be ample compensation for paying out this money. At the time the present commission was adopted, forty years ago or more, the credit of the country was not very high, and it needed the name of a banking house to make its paper current. Upon this point it is instructive to refer to the annual message of President Tyler, of December, 1842. Speaking of an effort of the Government to make a small loan he says:

After a failure to do so in the American market, a citizen of high character and talent was sent to Europe with no better success; and thus the mortifying spectacle has been presented of the inability of this government to obtain a loan so small as not in the whole to amount to more than one-fourth of its ordinary annual income, at a time when the governments of Europe, although involved in debt, and with their subjects heavily burdened with taxation, readily obtain loans of any amount at a greatly reduced rate of interest.

In 1844, Benjamin R. Curtis, late justice of the Supreme Court of the United States, published in the *North American Review* a very able and eloquent article on the importance of maintaining the public faith, in which he refers to this attempt to borrow money, saying:

It was offered on terms most advantageous to the creditor—terms which in former times would have been eagerly accepted, and after going begging through all the exchanges of Europe, the agent gave up the attempt to obtain money in despair. It is impossible to believe that any capitalist refused to lend his money because he doubted the ability of the United States to pay their debts. Nor is it credible that the mere failure of a few of the State governments to meet their engagements would have produced this extraordinary effect. It is the truth, and it should sink into the heart of every American, that this loan was refused because Europe doubted the honor of this country.

It can be readily understood that, at that time, a draft on a respectable London bank was a great deal better than a draft on the Government of this country. It is unnecessary to say that all this has changed. Our public credit does not now require the support of any private firm or corporation, and it is not good economy to continue paying for that which we no longer need.

BOOKKEEPER'S DIVISION.

STATEMENT of the WORK PERFORMED by the BOOKKEEPER'S DIVISION
for the fiscal year ending June 30, 1882.

Date.	Number of pay requisitions.	Amount of pay requisitions.	Number of repay requisitions.	Amount of repay requisitions.	Letters received.	Letters written.	Accounts journalized, entered, and balanced.	Ledger extracts for settlement.	Answers to inquiries for accounts on ledgers.	Accounts received.	Accounts settled.	Summary statements entered.
1881.												
July.....	223	\$2,538,586 90	69	\$680,432 95	222	360	35	23	77	1	1	78
August.....	192	1,724,035 59	6	3,670 38	189	293	69	29	58			73
September.....	152	1,683,726 63	29	513,863 08	133	288	6	21	55			73
October.....	184	1,558,455 60	29	246,540 51	209	299	89	52	82			75
November.....	177	2,572,298 96	51	743,197 79	155	286	59	27	119			81
December.....	182	2,664,868 64	34	1,689,900 14	150	274	67	35	73			77
1882.												
January.....	175	1,767,588 13	32	774,500 80	178	295	25	62	93			76
February.....	192	1,701,009 93	57	597,290 76	143	269	85	35	65			65
March.....	157	836,448 69	14	5,843 32	156	258	83	143	81			89
April.....	181	2,249,857 04	16	694,585 69	192	296	69	258	117			80
May.....	188	1,624,583 16	42	537,194 65	153	262	73	31	329			67
June.....	211	1,423,496 36	22	541,425 42	150	303	85	120	204			86
Total.....	2,214	22,344,955 63	401	7,028,535 49	2,03	3,483	745	836	1,354	1	1	920

NAVY PENSION ACCOUNTS.

STATEMENT of the WORK PERFORMED by the NAVY PENSION DIVISION for
the fiscal year ending June 30, 1882.

Date.	Accounts received.	Accounts settled.	Letters received.	Letters written.	Amount involved.
1881.					
July.....	14	4	76	50	\$2,590 02
August.....	23	17	72	58	10,014 24
September.....	12	10	27	23	84,707 30
October.....	9	21	36	24	110,996 74
November.....	26	18	46	54	46,243 34
December.....	11	8	100	37	0,832 21
1882.					
January.....	14	20	98	38	154,072 31
February.....	18	19	64	59	63,641 36
March.....	16	26	79	57	85,579 16
April.....	27	29	89	42	36,547 04
May.....	16	15	86	65	27,529 94
June.....	44	45	90	45	140,987 47
Total.....	230	232	863	552	771,741 13

ARREARS of PENSION, ACTS of JANUARY 25, and MARCH 4, 1879.

Date.	Accounts received.	Accounts settled.	Amount involved.
1881.			
July		3	
August		1	
October		1	\$973 49
December	1	1	
1882.			
January	1		
March	1		
April	1		
May		1	1,010 93
June		2	854 70
Total	4	9	2,839 03

AMOUNT PAID NAVAL PENSIONERS.

Pension agencies.	Number of Navy & invalid pensioners.	Number of widow pensioners and dependent relatives.	Total number of Navy pensioners.	Disbursements at each agency for the year ending June 30, 1882.
Annapolis, Md.	69	62	131	\$11,032 34
Boston, Mass.	520	530	1,040	157,329 42
Columbus, Ohio.	53	113	166	23,634 75
Chicago, Ill.	90	76	166	26,205 17
Concord, N. H.	86	71	157	30,757 39
Detroit, Mich.	54	26	50	6,406 76
Knoxville, Tenn.	83	121	204	34,467 49
Louisville, Ky.	11	23	34	3,241 07
Milwaukee, Wis.	29	25	55	8,294 51
New York City	550	415	965	140,845 26
Pittsburgh, Pa.	50	69	119	21,771 60
Philadelphia, Pa.	320	455	775	95,175 04
San Francisco, Cal.	65	41	106	6,962 14
Topeka, Kans.	25	30	55	12,971 96
Washington, D. C.	400	516	916	143,794 31
Total	2,378	2,563	4,941	723,731 21

Number of accounts on hand June 30, 1882, 25; vouchers examined, 15,326.

PURCHASING PAYMASTERS' AND ALLOTMENT ACCOUNTS.

STATEMENT of the WORK PERFORMED by the NAVY PAY and ALLOTMENT DIVISION for the fiscal year ending June 30, 1882.

Date.	Accounts received.	Accounts settled.	Letters received.	Letters written.	Amount involved.
1881.					
July	7	12	213	246	\$292,000 84
August	9	17	217	299	691,984 96
September	7	19	294	214	183,585 41
October	11	26	262	279	158,042 49
November	8	24	213	187	526,814 03
December	6	22	232	244	287,423 59
1882.					
January	13	55	215	214	120,370 93
February	9	32	213	186	306,476 66
March	8	29	224	171	221,558 50
April	15	33	240	219	7,345 45
May	19	31	251	260	273,381 41
June	148	50	240	204	1,064,949 19
Total	260	350	2,734	2,627	4,891,153 46

ALLOTMENT ACCOUNTS.

Date.	Allotments registered.	Allotments discontinued.	Date.	Allotments registered.	Allotments discontinued.
1881.			1882.		
July.....	132	90	January.....	74	83
August.....	48	101	February.....	104	81
September.....	146	115	March.....	57	44
October.....	149	154	April.....	101	99
November.....	48	85	May.....	47	115
December.....	226	81	June.....	53	110
			Total.....	1,165	1,167

AMOUNTS PAID for ALLOTMENTS at NAVY PAY OFFICES during the year 1881.

New York.....	\$172,000 50
Boston.....	95,079 00
Washington, D. C.....	81,885 83
Philadelphia.....	70,398 50
Baltimore.....	36,660 00
San Francisco.....	37,853 00
Norfolk.....	31,389 00

Total..... 505,265 83

Accounts remaining on hand June 30, 1881, 283.

Accounts remaining on hand June 30, 1882, 193.

Number of vouchers examined, 31,734.

BOUNTY, ARREARS OF PAY, AND GENERAL CLAIMS.

STATEMENT of the WORK PERFORMED by GENERAL CLAIMS DIVISION for the fiscal year ending June 30, 1882.

Date.	Claims.			Amount involved.	Letters.		Number of reports on applications for	
	Received.	Adjusted.	Rejected.		Received.	Written.	Pension.	Admission to naval asylum.
On hand June 30, 1881.....	76							
1881.								
July.....	85	70		\$6,766 56	458	431	120	4
August.....	304	58		5,219 56	377	367	80	
September.....	54	56		4,636 46	329	320	76	
October.....	78	74		8,691 17	360	357	54	6
November.....	114	113		12,426 86	552	505	148	
December.....	70	67		5,362 33	436	422	100	
1882.								
January.....	65	64		6,883 02	395	421	144	2
February.....	82	53	30	5,997 33	469	468	149	2
March.....	140	66	6	3,259 85	578	528	135	1
April.....	231	86	9	27,413 66	643	583	134	1
May.....	271	259	10	70,452 53	689	818	128	
June.....	245	168	9	39,038 06	751	678	86	
Total.....	1,814	1,134	64	195,147 39	6,037	5,908	1,360	16

THE MEXICAN WAR THREE MONTHS' EXTRA PAY.

Of the above-mentioned settled claims 66 were for the three months' extra pay, authorized by the act of February 19, 1879, for services in the

war with Mexico, and amount to the sum of \$2,672.70. There had been previously settled of these claims 1048, and payments made of \$43,501.68.

The act just referred to provides that the gratuity is to be paid subject to the limitations of the act of July 18, 1848. As has been previously stated in one of my reports, that law was passed for the exclusive benefit of persons who were employed in the military service during the Mexican war, and limited the payment to those who "served out their term of engagement, or have been or may be honorably discharged," and to the widows, children, &c., of those "who have been killed in battle, or who died in service, or who, *having been honorably discharged*, have since died, or may hereafter die, without receiving the three months' pay." The term honorably discharged, as used in the law, applied to the enlisted men and to the volunteer officers of the Army who received an honorable discharge when mustered out at the close of the war, or when their services were no longer required. It will be seen, therefore, that the "limitations" of the law of 1848 necessarily excluded those officers of the Navy and Marine Corps who resigned their positions or remained in the service, and also the heirs of those who resigned or died in the service after the 19th of July, 1848. Bills have been introduced designed to change the act of 1879 so that its benefits may be shared by all, whether in the regular or volunteer Navy, who participated in the Mexican war and were not discharged or dismissed for dishonorable conduct during its continuance; but they have made little or no progress, and the matter remains in *statu quo*.

MILEAGE FOR TRAVEL ABROAD.

Apparently from the foundation of the Navy, certainly from 1835, it had been the practice to pay mileage for travel at home and actual expenses abroad. In 1874 all mileage was abolished by act of Congress. In 1876 mileage was re-established for travel in the Navy, and under the advice of the Attorney-General the old practice of paying actual expenses abroad was continued. The question of the legality of this practice was tested in the case of *Temple vs. the United States*, and decided by the United States Supreme Court against the defendants. Of the above-settled claims 253, amounting to \$63,254.94, were adjusted in accordance with this decision. An additional number have been adjusted and paid since the close of the fiscal year, and others continue to be received. At the late session of Congress a provision was added to the naval appropriation bill giving legal sanction to what had been so long the practice—namely, the payment of actual expenses only for travel abroad. Claims for mileage, arising under the law of 1835 (in force until 1874), are still pending in the Court of Claims. A large number have also been received by this office, but no action will be taken until a final decision has been reached in the courts.

PAYMENTS TO MACHINISTS.

Of the above-settled claims 47, amounting to \$28,764, were allowed under the act of June 16, 1880, giving gratuities to discharged machinists in lieu of re-enlistment, one-third of one year's pay for each good-conduct badge, not to exceed three in number. A fair proportion of the claimants have three of these badges, entitling them to a year's extra pay, \$918. There have been reported previously 51 of these settled claims, amounting to \$27,540. Claims under this act are still being received.

LONGEVITY CLAIMS.

Under the decision of the court in the Tyler case only seven claims of marine officers had been settled at the close of the year, involving the sum of \$1,249.39. This decision is held in the Department of Justice as not applicable to longevity claims in the Navy; and such claims will be contested in the Court of Claims, where one is now pending, and, probably, in the Supreme Court. Until a decision is reached no action will be taken on similar claims now in this office.

PRIZE-MONEY, RECORD, AND FILES DIVISION.

STATEMENT of the WORK PERFORMED by the PRIZE-MONEY, RECORD, and FILES DIVISION for the fiscal year ending June 30, 1882.

Date.	Letters—		Claims—			Amount of prize-money paid.	Records.				
	Received.	Written.	Received.	Settled.	Rejected.		Letters keyed in.	Letters keyed out.	Letters recorded.	Letters indexed.	Dead letters registered.
1881.											
July	99	120	16	6	10	\$212 66	1,192	1,297	2,283	3,955	7
August	125	132	25	11	14	290 60	1,126	1,192	2,113	2,113	4
September	84	101	16	10	6	557 37	884	1,057	1,484	1,484	3
October	96	113	11	8	3	368 47	1,126	1,187	1,516	2,523	11
November	101	113	11	6	4	159 18	1,222	1,270	2,141	2,504	9
December	113	124	14	5	7	204 89	1,166	1,196	1,583	2,807	3
1882.											
January	127	157	30	15	13	509 07	1,159	1,264	1,485	2,191	8
February	105	119	25	11	14	301 84	1,133	1,218	1,744	2,603	5
March	158	182	28	16	8	988 41	1,299	1,291	2,187	3,917	4
April	101	142	20	13	7	847 64	1,417	1,385	1,645	1,645	4
May	122	148	16	8	8	278 43	1,459	1,727	1,551	2,780	4
June	153	189	30	13	6	534 73	1,499	1,553	1,434	2,410	4
Total	1,389	1,640	242	122	100	5,253 29	14,682	15,637	21,321	30,933	66

This division is charged, also, with the preparation of all reports and tabular statements called for by Congress and the Secretary of the Treasury; the preservation and care of the files; keeping a record of appointments, resignations, removals, and absences; the care and issuing of stationery used in the office, and the payment of salaries to employés.

NEW ORLEANS PRIZE-MONEY.

I regret to have to say that Congress have as yet made no appropriation to pay what is known as the "third instalment of New Orleans prize-money." Besides the vessels captured by the fleet under the command of Admiral Farragut, during the engagements near Forts Jackson and Saint Philip, a large number of vessels were destroyed, for which the court, in 1873, awarded the sum of \$268,600. At the date of the award there was in the Treasury, after paying fees, &c., but \$93,865.20 to the credit of the appropriation "Bounty for the destruction of enemies' vessels." This amount was distributed to all the captors. There remains to be appropriated by Congress the sum of \$143,644.47. There are several thousand persons directly interested as creditors in this matter. This money is as justly due as that arising under any other obligation of the government. The claimants are worthy men who have rendered valuable services to the government, and are clearly

entitled to the money which has been awarded to them by the proper court. If Congress failed to provide for the interest on the public debt, or the principal when due, it would be recognized as a national disgrace. So, also, if they neglected to appropriate the money to meet the claims settled by the accounting officers or judgments rendered by the United States courts against the Government, it would be regarded as highly reprehensible, and discreditable to our whole people. The claims of officers and seamen for this New Orleans prize-money—claims properly adjudicated and judgment given—are just as valid as those named, and they ought to be paid with the same promptitude that all other lawful obligations are paid. It is respectfully urged that there is no shadow of a reasonable excuse for longer delay on the part of Congress.

ABOLITION OF PRIZE-MONEY.

It has been suggested that prize-money ought to be abolished; and one or more amendments were offered to the last naval appropriation bill to accomplish this purpose, but they were ruled out of order, and no direct vote was reached upon them. It would seem that this is a move in the right direction and in accordance with the spirit of the age, as well as with the laws and regulations governing the military arm of the public service. It would be, difficult, perhaps, to give any good reason why captures made at sea should be awarded to the captors any more than captures made on land. The hopes of such prizes may stimulate to greater exertion in the naval service, and in naval engagements particularly, as they would, doubtless, in military enterprises on land; but in both cases would it not be better to rely on the honor, the sense of duty, the courage, the discipline, and the patriotism of officers and men, rather than upon the hope of incidental pecuniary reward? The inequalities, jealousies, and dissatisfactions growing out of the distribution of prize-money are proverbial, and can be remedied only by a discontinuance of this relic of ruder ages.

PAYMASTERS' AND MARINE ACCOUNTS.

STATEMENT of WORK PERFORMED by the PAYMASTER'S DIVISION for the fiscal year ending June 30, 1882.

Date.	Accounts received.	Accounts settled.	Letters received.	Letters written.	Cash vouchers.	Cash disbursements.
1881.						
July	25	24	124	97	482	\$1,375,386 92
August	56	27	146	133	371	313,355 34
September	21	24	107	101	650	1,001,121 05
October	28	36	163	115	1,722	1,109,915 24
November	42	27	155	125	509	762,234 57
December	23	40	125	95	663	1,212,181 40
1882.						
January	18	27	146	139	973	1,123,275 50
February	40	40	139	116	1,052	1,598,634 96
March	26	30	104	95	640	554,599 21
April	29	31	152	103	1,196	1,281,185 68
May	40	33	158	174	599	750,606 42
June	25	29	110	134	836	1,121,576 23
Total	373	368	1,629	1,427	9,633	12,204,072 61

Accounts on hand July 1, 1881 61
 Accounts on hand June 30, 1882 66

ACCOUNTS OF DISBURSING OFFICERS.

I am pleased to report that, as a rule, the accounts of the disbursing officers of the Navy have been promptly and accurately rendered during the year, showing a clear sense of responsibility, and a laudable purpose to discharge their important duties with the utmost fidelity. There have been some exceptions, but it is believed that these are diminishing, and that there is an increasing sense of honor and accountability apparent, which promises well for the future of this branch of the service. The disbursements of the year have been made without loss to the Government so far as accounts have been examined in detail, and it is believed that final settlements will exhibit this gratifying result.

VISITORS TO NAVAL ACADEMY.

The act of February 14, 1879, provides that there shall be appointed every year a board of visitors to attend the annual examination at the Naval Academy. This board consists of twelve members, seven of them appointed by the President of the United States, two Senators appointed by the Vice-President or President pro tempore of the Senate, and three Representatives appointed by the Speaker of the House. The act also provides that each member of this board shall receive not exceeding eight cents per mile traveled by the most direct route from his residence to Annapolis, and eight cents per mile for each mile from said place to his residence on returning. For the expenses of this board of visitors Congress appropriates \$2,600 annually. The manner in which this sum was expended in the last fiscal year is shown by the following statement:

ITEMS COMPRISING COMMISSARY ACCOUNT WITH BOARD HOUSE.

Carriages	\$106 00	Ice	\$23 76
Barber	15 00	Telegraphing	6 67
Expense cards, &c.	4 57	Tinware	6 23
Umbrellas, &c.	39 17	Freight	4 38
Glass	6 52	Washing	12 00
Flowers	13 76	Groceries	269 97
U. S. Naval storekeeper	25 36	Meats	207 55
China	205 56	Fish	45 47
Servants	208 16	Vegetables and fruit	82 10
Newspapers	4 50	Ice cream and cake	61 75
Wines, Liquors, and Mineral			
Water	589 16	Cigars	252 12
		Total	2,189 76

L. G. BILLINGS,

Paymaster, U. S. N., Commissary, N. A.

The remainder of the appropriation was exhausted in the payment of mileage. I respectfully suggest that the appropriation of a gross sum for the payment of expenses of this kind is unwise, as the above bill abundantly shows; and that it would be better to follow the usual practice of paying a per diem and mileage and permitting the members of the board to pay their own expenses, as do nearly all other officers, agents, and employes of the Government. There are comfortable hotels at Annapolis, and there can be no good reason given why they should be ignored and such public expenditures made as the above statement exhibits.

THE CIVIL SERVICE.

In acknowledging my obligations to the deputy auditor, Mr. B. P. Davis, to the chiefs of divisions, the clerks and employes generally of

this office, I am constrained to say a few words concerning the civil service here in Washington as it has come under my observation, with some suggestions as to its permanency and further improvement. It is well known to those acquainted with this service by practical experience, that it is not nearly so bad as it is frequently painted by persons who have not had such experience. The improvements in the methods of doing business and in the *personnel* of the Departments have been marked during the last twenty years, as many clerks can testify whose service extends over the greater part of that time. There has been a survival of the fittest. The inefficient and those wanting in good character have been dropped, while the capable, the careful, and the upright have been retained. So that the service to-day, to say the least, is in a very fair condition.

There are in this bureau, as there are doubtless in every one, clerks who are receiving but moderate salaries whose capacity and experience, were they available in private business, would command not only much better compensation, but would insure to their owners positions of independence and influence in any community. The services of such employés are very valuable to the Government, and, as long as they remain so, they ought to be retained. To secure permanency in this service and to insure its future efficiency and still further improvement, two or three simple enactments are suggested:

1. The law at present requires that "appointments in the Treasury Department shall be so managed as to be equally distributed between the several States, Territories, and the District of Columbia, according to population." This principle should be applied to all of the Departments, thus keeping up the representative idea.

2. As is well known, much of the time of the heads of Departments, Senators, and Representatives is now taken up in listening to and presenting the reasons why certain persons should be given places. For days and weeks after President Garfield was inaugurated, the Secretaries of the Treasury and Interior were overwhelmed with work of this kind. To obviate this and to make the service equally open to all, let the law provide that a suitable examination—competitive probably the best—under established general rules, shall take place in the State or congressional district where the applicant resides. Commercial colleges, business men, and literary institutions could easily be found doubtless who would, free of expense to the Government, furnish the requisite boards for conducting these examinations. Clerical vacancies in the Departments and new positions would then be filled by requisitions on States or districts entitled to receive appointments. The home examination should be sufficient to entitle the applicant to a probationary appointment for a few months, upon the expiration of which he should receive a permanent one, if proved to be qualified.

3. A fixed tenure of office of five or seven years, (with privilege of re-appointment,) during which the appointee could not be removed except for inefficiency or bad conduct.

4. Promotions, other things in the aggregate being fairly equal, as shown by suitable examination, to be in accordance with seniority of service.

It appears to me, from such reflection as I have been able to give the subject, that a law embodying these suggestions would relieve the civil service in Washington of the odium now attaching to it, and Cabinet officers and Congressmen of much laborious, vexatious, and profitless work; while many thousands of our fellow citizens would be saved time, money, and self-respect, which are now lost in weary journeying.

waiting, and beseeching only to find at last that there are no places for them, and the ratio of applicants to vacancies is as twenty or more to one. The service, also, which is the great point to be gained, would be rendered in due time vastly more permanent and efficient than it could reasonably be expected to be where numerous and frequent changes may be made by the whims of individuals, the pressure of partisans, or the varying fortunes of political parties.

Very respectfully,

CHAS. BEARDSLEY,
Auditor.

HON. CHARLES J. FOLGER,
Secretary of the Treasury.

REPORT OF THE FIFTH AUDITOR OF THE TREASURY.

TREASURY DEPARTMENT,
FIFTH AUDITOR'S OFFICE,
Washington, October 31, 1882.

SIR: I have the honor to submit herewith the annual report of this office for the fiscal year ending June 30, 1882.

DIPLOMATIC AND CONSULAR SERVICE.

The accounts of ministers and others in the diplomatic service (Exhibit A) show that there were paid for salaries \$310,627.24 and for contingent expenses \$69,525.23, aggregating \$380,162.47. Passport and official fees amounted to \$3,724.21.

The Revised Statutes classify the consulates-general, consulates, and commercial agencies into three classes: 1. Those embraced in a schedule known as Schedule B, the incumbents of which receive a fixed salary, and are not allowed to engage in private business. 2. Those embraced in a schedule known as Schedule C, the incumbents of which receive a fixed salary and are allowed to engage in business. 3. All other consulates the incumbents of which are compensated by the fees collected in their offices and are allowed to transact business. In tabulating consular accounts for fees, salaries, and other expenditures (*Exhibits B, C, D, E, and F) this classification has been observed. The following are the totals presented:

Fees for official services	\$889,840 55
Consular salaries	\$415,735 48
Loss by exchange	2,392 90
Compensation from fees	192,778 98
Rent, clerk hire, &c., (sec. 1732 R. S.)	5,285 92
Contingent expenses	133,470 86
Allowance for clerks	54,098 63
Rent of prison, wages of keepers, &c., China	8,236 87
Rent of prison, wages of keepers, &c., Japan	4,063 60
Rent of prisons, wages of keepers, &c., Siam and Turkey...	899 45
Salaries of interpreters to consulates in China, Japan, and Siam	11,705 01
Salaries of marshals for consular courts	7,003 77
Expenses for interpreters, guards, &c., in Turkish dominions.	3,150 61
	<hr/>
	832,822 08

Excess of receipts over expenditures..... 51,018 47

Included in the amount reported for consular salaries are \$4,882.55 paid consular officers not citizens, covered by a separate appropriation of \$5,000.

CONSULAR FEES.

The revised tariff of fees which took effect in October, 1881, not only changed the character of many fees from official to private, but materially reduced the charges for certain services. The fee for "acknowledgments," for example, was cut down from \$2.50 and \$2 to \$1; "authenticating signatures" from \$2 to \$1; "orders and letters" from \$2 to \$1, and several shipping certificates from \$2 to \$1, while "landing certificates" were fixed at \$2.50, uniformly, except on the Rio Grande, Mexico. Notwithstanding this very considerable decrease, the fees received are \$46,774.19 in excess of those for the year 1881, showing a decided increase in the business transacted.

In this connection I desire to call attention to the table (Exhibit I), indicating the sources from which official fees were derived. The following are the totals given:

VESSELS' FEES and CHARGES.

Shipping and discharging crews	\$16,478 98	
Tonnage dues.....	30,181 94	
Bills of health and clearances	25,161 24	
Other fees	22,502 55	
Extra wages	35,581 47	
	<hr/>	\$129,906 18

MISCELLANEOUS.

Invoices	\$722,412 91	
Other fees	73,102 93	
	<hr/>	795,515 84
Total.....		925,422 02

RECEIPTS AND INVOICES.

A law passed in August, 1856 (section 4213 Revised Statutes, 1878) makes it the duty of owners, agents, consignees, masters, and commanders of vessels to furnish copies of consular receipts for fees to collectors of ports, who shall forward them, as well as statements of all certified invoices, to the Secretary of the Treasury. During the past year an effort has been made to comply with the provisions of this act, the plain intention of it being to furnish evidence of the correctness of consular returns of official fees and charges. The work which was entirely new to this office, has been prosecuted under difficulties arising from incomplete returns and insufficient clerical force; but it has progressed far enough to indicate that the law, when properly complied with, is sufficient for the purpose intended. The additional clerical force allowed this office by the appropriation act of August 5, 1882, will enable the work to be done promptly, the importance of which is too obvious to require further remark.

RELIEF OF SEAMEN.

Thirteen hundred and eighty seamen were relieved during the year at an average cost of about \$22.50 each, and seven hundred and four were sent to the United States on certificate payable at the Treasury

at an additional cost of \$12.50 each. The accounts adjusted (Exhibits G and H) present the following totals :

Board and lodging.....	\$11,655 56	
Clothing.....	6,253 88	
Passage paid by consuls.....	4,416 96	
Passage to the United States paid at Treasury	8,799 00	
Other expenses.....	8,859 80	
		\$39,985 20
Extra wages and arrears	51,530 53	
Amount refunded	18,149 31	
		33,381 22
Excess of relief over extra wages and arrears.....		6,603 98

As extra wages and arrears are devoted to purposes of relief, the actual outlay by the government is thus reduced to less than one-sixth of the entire amount expended. In other words, of the \$60,000 appropriated by Congress for the relief of destitute American seamen, less than \$7,000 have been used.

Although the relief afforded for 1882 is less than for many years, as will be seen by reference to the tabulated statement below, I am of opinion that the sum paid is considerably larger than it need be. Extending relief to seamen who are properly entitled to it is often attended with much difficulty, and it is perhaps not surprising that in some instances consular officers cannot discriminate between the deserving and undeserving. In a circular letter addressed them by this office in April last, with the approval of the First Comptroller, mention was made of the fact that in several cases the seamen relieved never served upon the vessels reported, and that in one instance no such vessel sailed under the American flag. It was also stated that seamen sent from one consulate to another often received clothing at both places, the second supply being given within a week after the first was received. Since the reception of this circular greater care seems to have been exercised.

In this connection it is proper to add that consuls are often called upon to relieve unworthy persons whose demands they cannot refuse. A careful study of the returns shows that about ten per centum of those relieved are "deserters," many of whom are little better than tramps, who seize upon every opportunity to desert their vessels and live at the expense of the Government which they disgrace. Yet under existing regulations consular officers find it difficult to avoid aiding them. The precedent seems long to have been established that an American seaman *who is also an American citizen* is entitled to relief, except only when actually employed upon a foreign vessel. He may desert and take employment upon a railroad, or conceal himself until his vessel sails, and immediately thereafter return to the consulate and obtain relief. Several cases of this character have been reported during the past year, the relief being given solely for the reason that the seamen were *citizens of the United States*.

It would be a manifest hardship to withhold relief from "deserters" in all cases, for men are frequently driven to desertion by unusual or cruel treatment. But it would clearly be better for all parties in interest if consular officers were authorized to relieve this class of seamen only when it is satisfactorily ascertained that the desertion is justifiable *regardless of the seaman's citizenship*. The course pursued at present

not only operates as an incitement to desertion, but compels the consul to grant relief in cases manifestly undeserving.

GROWTH OF CONSULAR BUSINESS.

The following table not only affords basis for a comparison of consular receipts and expenses for the past year with former years, but indicates the rapid growth of consular business since the close of the war.

Years.	Fees received.	Salaries.	Relief of seamen.	Contingent expenses.	Allowances for clerks.
1865	\$442,477 56	\$351,570 94	\$182,909 79		
1867	424,689 17	382,616 40	151,282 81		
1868	435,179 73	373,750 89	107,536 36		
1869	459,722 43	383,999 89	79,714 89		
1870	534,670 79	460,964 59	90,078 61		
1871	632,258 22	484,638 63	71,064 10	\$114,225 11	
1872	706,907 95	483,225 11	*232,972 86	90,626 21	
1873	746,594 89	548,597 56	72,284 42	94,935 46	
1874	715,292 94	570,621 23	64,840 72	116,273 41	
1875	697,988 49	549,172 47	54,287 13	124,067 94	
1876	651,501 20	537,456 37	73,616 95	131,735 35	\$32,162 41
1877	624,265 99	518,319 41	72,449 12	119,988 73	34,196 66
1878	635,914 11	525,673 25	70,947 02	110,490 86	36,518 99
1879	682,901 18	551,504 26	68,250 01	113,979 25	39,036 67
1880	826,545 76	577,238 25	56,831 52	127,059 30	41,525 81
1881	843,066 36	601,716 30	42,510 67	104,896 79	54,261 15
1882	889,840 55	616,193 28	39,985 20	133,470 86	54,098 63

* Inclusive of \$157,472.60 expended on account of the destruction by ice of the whaling fleet in the Arctic Ocean.

OTHER EXPENSES OF THE FOREIGN SERVICE.

Other accounts pertaining to the foreign service have been adjusted as follows:

Relief of claimants for destruction of private armed brig General Armstrong, act of April 20, 1852	\$39,886 31
Compensation and expenses of commission to China, 1880 and 1881	36,807 15
Tribunal of arbitration at Geneva	400 80
Joint commission for settlement of claims between the United States and the French Republic	65,625 31
International Bimetallic Commission	52,515 11
Salary and expenses of United States American and British Claims Commission for 1872	5,462 76
Salary and expenses of United States American and British Claims Commission for 1873	12,920 00
Salary and expenses of United States American and British Claims Commission for 1874	5,381 61
Bringing home criminals, for 1881	361 06
Bringing home criminals, for 1882	618 12
International Bureau of Weights and Measures, 1876, 1877, 1878, 1879	14,061 10
International Bureau of Weights and Measures for 1880	2,948 23
International Bureau of Weights and Measures for 1882	4,196 51
International Exhibition at Sidney and Melbourne for 1879 and 1880	26,139 95
Berlin Fishery Exhibition	8,741 53
Buildings and grounds for legation in China, 1876	2,000 00
Buildings and grounds for legation in China, 1877	3,690 60
Buildings and grounds for legation in China, 1878	3,000 00
Buildings and grounds for legation in China, 1879	3,000 00
Buildings and grounds for legation in China, 1880	3,000 00
Buildings and grounds for legation in China, 1881	3,000 00
Buildings and grounds for legation in China, 1882	3,000 00
International Exposition at Paris for 1878	159,077 07
Rescuing shipwrecked American seamen, 1882	130 18
Expenses of Cape Spartel and Tangier light, 1882	285 00

Shipping and discharging seamen, for 1882.....	\$4,169 60
Allowance to widows or heirs of diplomatic and consular officers who die abroad, 1880.....	164 84
Allowance to widows or heirs of diplomatic and consular officers who die abroad, 1882.....	1,671 99
Contingent expenses of foreign missions for 1881.....	5,493 85

MORTON, ROSE & CO.'S ACCOUNTS.

During the year Messrs. Morton, Rose & Co., bankers of the United States at London, England, received \$241,796.30 on account of consular fees, \$12,048.05 on account of extra wages and other money of seamen. Their disbursements were as follows:

Salaries of ministers for fiscal year 1881.....	\$45,313 42
Salaries of ministers for fiscal year 1882.....	139,903 67
Contingent expenses of foreign missions for fiscal year 1881.....	4,645 30
Contingent expenses of foreign missions for fiscal year 1882.....	29,575 06
Salaries of secretaries of legation for fiscal year 1881.....	4,528 67
Salaries of secretaries of legation for fiscal year 1882.....	26,477 66
Salaries of consular service for fiscal year 1881.....	2,911 06
Salaries of consular service for fiscal year 1882.....	9,989 36
Contingent expenses of consular service for fiscal year 1881.....	419 69
Contingent expenses of consular service for fiscal year 1882.....	2,449 03
Books and maps for fiscal year 1882.....	1,000 00
Expenses, interpreters, guards, &c., in Turkish dominions, 1881.....	125 00
Expenses, interpreters, guards, &c., in Turkish dominions, 1882.....	125 00
Expenses of Cape Sparte light for fiscal year 1882.....	285 00
International exhibition at Sydney and Melbourne for 1879 and 1880.....	2,799 66
International Bimetallic Commission.....	17,648 06
International Bureau of Weights and Measures, for fiscal year 1882.....	4,496 49
International Silver Commission, for fiscal year 1879.....	973 30
Total.....	293,666 03

DECEDENTS' TRUST FUND.

The following amounts were paid out of "estates of decedents, trust fund," having been previously covered into the Treasury:

Henry Willis, deceased seaman.....	\$80 00
Alice Windsor, alias Evans, deceased citizen.....	139 87
W. E. Parker, deceased, seaman.....	63 68
Albert Kuhnert, deceased seaman.....	34 74
Jackson Haines, deceased citizen.....	151 83
William Hahn d'Amblay, deceased citizen.....	1,500 00
	1,970 12

INTERNAL REVENUE.

The cash deposited for the year (Exhibit K) amounted to \$138,958,263.53, exclusive of \$7,537,712.90 derived from sales of adhesive stamps, and \$1,648.22 from other sources, the total expenditure being \$5,313,327.57, divided as follows:

Collectors' accounts (Exhibit L).

Salaries of collectors.....	\$439,512 08
Deputies and clerks.....	1,484,427 25
Rent, fuel, and lights.....	54,307 05
Stationery, &c.....	25,635 05
Storekeepers.....	1,275,120 75
Gaugers.....	802,915 80
	\$4,081,917 98

Agents' accounts ("Exhibit N).

Salaries.....	\$78,852 60	
Transportation.....	15,028 52	
Subsistence.....	25,058 86	
Other expenses.....	2,554 87	
Transportation over Pacific railroads.....	1,176 25	
Stationery.....	1,175 99	
		\$122,846 49

Stamps, paper, and dies.

Bureau of Engraving and Printing.....	418,413 74	
S. D. Warren & Co.....	60,170 32	
Treasury Department.....	6,648 12	
John J. Crooke.....	4,446 43	
		489,678 61

Incidental expenses.

(Including detection of fraud, counting, and issuing stamps, &c.)

Salary.....	92,300 66	
Traveling expenses.....	12,228 28	
Expenses.....	14,666 81	
Telegrams.....	1,432 41	
Rent.....	5,000 00	
Expressage.....	7,559 37	
Counsel fees and expenses.....	7,405 15	
Rewards.....	7,944 48	
		148,537 16

Other expenses.

Surveyors of distilleries.....	5,087 01	
Salaries in office of the Commissioner of Internal Revenue.....	253,047 00	
Fees and expenses of gaugers prior to July 1, 1881.....	43,749 22	
Compensation of storekeepers prior to July 1, 1881.....	30,816 00	
Accounts unadjusted.....	137,648 12	
		470,347 33
Total.....		5,313,327 57

The accounts of the Commissioner of Internal Revenue for stamps (Exhibit M) are as follows:

Distilled-spirit stamps.....	\$101,665,626 00
Special-tax stamps.....	12,931,860 00
Beer stamps.....	21,668,462 68
Stamps for tobacco, snuff, and cigars.....	62,949,319 12
Stamped foil wrappers.....	317,833 20
Stamped paper labels for tobacco.....	2,800 00
Documentary and proprietary stamps.....	9,441,738 38
Total.....	208,977,639 38

In the adjustment of accounts of 172 stamp agents the amount involved was \$3,194,588.31, and of 625 claims for the redemption of stamps, amounting to \$34,909.53, there was discounted \$1,107.96, leaving an amount actually paid of \$33,801.57.

By the last report the Secretary of the Treasury had on deposit to his credit on account of "fines, penalties, and forfeitures," a balance of \$62,908.55.

During the year deposits have been made to the amount of \$235,954.08, and disbursements made to the amount of \$145,014.69, leaving a balance to his credit January 1, 1882, of \$153,847.94.

An account has also been rendered by him on account of "offers in compromise" (special-deposit account No. 5) from January 1 to December 31, 1881, as follows: Balance per last report \$38,873.67; amount de-

posited during the year, \$206,900.78; amount disbursed \$170,041.10, leaving a balance on deposit to his credit January 1, 1882, of \$75,733.35. This account remains unadjusted.

The following sums were refunded: Taxes erroneously assessed and collected, \$80,311.56; drawbacks on merchandise exported, \$43,061.49; and moneys refunded under private act of Congress, \$7,211.77.

The disbursements by George Waterhouse, chairman of the South Carolina Free School Fund Commissioners, amounted to \$1,490.

A judgment of \$18,711.11, rendered by the Court of Claims to reimburse disbursing clerk for moneys deposited in Merchants' National Bank, Washington, D. C., April 27, 1866, has also been adjusted.

DISBURSING CLERKS' ACCOUNTS.

Accounts rendered by Col. R. C. Morgan, disbursing clerk of the State Department, have been adjusted as follows:

Expenses under the neutrality act, 1881.....	\$3,100 00
Expenses under the neutrality act, 1882.....	40 50
International Exhibition at Paris, 1878.....	118 50
Rescuing shipwrecked American seamen, 1880.....	50 00
Rescuing shipwrecked American seamen, 1881.....	295 47
Rescuing shipwrecked American seamen, 1882.....	1,708 93
Contingent expenses of foreign missions, 1880.....	2,615 05
Contingent expenses of foreign missions, 1881.....	7 108 20
Contingent expenses of foreign missions, 1882.....	20,425 43
Bringing home criminals, 1879.....	32 00
Bringing home criminals, 1882.....	450 00
Contingent expenses of United States consulates, 1881.....	19,767 57
Contingent expenses of United States consulates, 1882.....	47,635 50
International Exhibition at Sydney and Melbourne, 1879 and 1880.....	20 00
Publication of consular and other commercial reports, 1882.....	9,531 17
Publication of consular and other commercial reports, 1881.....	3,799 96
Editing, publishing, and distributing Revised and Annual Statutes, 1882.....	3,919 67
Editing, publishing, and distributing Revised and Annual Statutes, 1881.....	145 71
Books and maps, 1882.....	1,949 32
Books and maps, 1881.....	176 96
Books and maps, 1879.....	105 45
Proof-reading and packing laws, 1882.....	1,257 00
Lithographing, 1882.....	842 65
Stationery and furniture, 1882.....	3,824 15
Stationery and furniture, 1881.....	952 62
Expenses of International Sanitary Congress.....	3,521 95
Observance of the centennial anniversary of the surrender of Lord Cornwallis at Yorktown, Va.....	19,814 76
Monument to mark the birthplace of George Washington.....	1,500 00

That the above exhibit might be complete, it was necessary to include the following accounts already given in aggregating the expenses of the diplomatic and consular service:

Contingent expenses of consulates, 1882.....	\$47,635 50
Contingent expenses of foreign mission, 1882.....	20,425 43

Accounts rendered by Mr. Richard Joseph, disbursing clerk of the Department of the Interior, have been adjusted, as follows:

Contingent expenses, office of Commissioner of Patents, 1882.....	\$9,740 98
Contingent expenses, office of Commissioner of Patents, 1881.....	4,475 13
Photolithographing, office of Commissioner of Patents, 1882.....	55,507 42
Photolithographing, office of Commissioner of Patents, 1881.....	11,373 41
Copies of drawings, office of Commissioner of Patents, 1882.....	39,165 37
Copies of drawings, office of Commissioner of Patents, 1881.....	13,127 19
Plates for Patent Office Official Gazette, 1882.....	22,220 56
Plates for Patent Office Official Gazette, 1881.....	5,226 65

Expenses for packing and distributing official documents, 1882.....	\$1,491 21
Expenses for packing and distributing official documents, 1881.....	3,121 46
Expenses for packing and distributing official documents, 1880.....	152 56
Scientific library, office of Commissioner of Patents, 1882.....	1,717 69
Scientific library, office of Commissioner of Patents, 1881.....	3,922 09
Preservation of collections, Smithsonian Institution, 1882.....	28,117 81
Preservation of collections, Smithsonian Institution, 1881.....	20,491 12
Preservation of collections, Smithsonian Institution (Armory Building), 1882.....	2,480 96
Preservation of collections, Smithsonian Institution (Armory Building), 1881.....	614 15
Furniture and fixtures, National Museum, 1882.....	34,380 94
Furniture and fixtures, National Museum, 1881.....	28,598 98
International exchanges, Smithsonian Institution, 1882.....	3,000 00
Classified abridgments of letters patent.....	8,428 15
Publishing the Biennial Register.....	1,947 35
Expenses of the Tenth Census.....	975,471 23
Expenses of the Tenth Census, printing and engraving, 1882.....	88,348 60

Other accounts rendered by several disbursing agents of the Census Office have been adjusted, as follows:

Expenses of the Tenth Census.....	\$23,200 32
Expenses of the Eighth Census.....	166 07
Miscellaneous:	
John S. Williams, for extra services in compiling the Biennial Register for 1879.....	200 00

Accounts rendered by Col. J. O. P. Burnside, disbursing clerk of the Post-Office Department, have been adjusted, as follows:

Publication of Official Postal Guide, 1882.....	\$23,000 00
Publication of Official Postal Guide, 1881.....	3,962 31
Stationery, 1882.....	8,998 61
Stationery, 1881.....	1,774 81
Carpets, 1882.....	4,951 86
Gas, 1882.....	4,856 41
Furniture, 1882.....	5,999 76
Hardware, 1882.....	1,391 45
Hardware, 1881.....	738 73
Fuel, 1882.....	4,338 30
Fuel, 1881.....	1,070 56
Painting, 1882.....	3,999 84
Plumbing and gas-fixtures, 1882.....	3,969 50
Keeping horses and repair of wagons and harness, 1882.....	1,197 06
Rent of house No. 915 E street, 1882.....	1,500 00
Directories, 1882.....	200 00
Telegraphing, 1881.....	2,736 22
Miscellaneous items, 1881.....	547 72

The accounts audited aggregate \$1,069,431.700.61, which of itself indicates the character of the business transacted as well as the large amounts involved in its settlement. During the year 9,699 accounts were adjusted, 236,797 vouchers examined, 3,717 letters written, 8,115 reports recorded and copied, 25,790 coupon-books counted, and 25,867 books scheduled. An examination of the accompanying tables, lettered from A to N and to which frequent reference has been made, will further convey some idea of the work performed by the clerks of this office, whose industry and efficiency I take this opportunity of commending.

I have the honor to be, very respectfully, your obedient servant,

D. S. ALEXANDER,

Auditor.

Hon. CHARLES J. FOIGER,

Secretary of the Treasury.

REPORT OF THE SIXTH AUDITOR OF THE TREASURY.

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST-OFFICE DEPARTMENT,
Washington, D. C., November 6, 1882.

SIR: I have the honor to submit the report of the business operations of this office for the fiscal year ended June 30, 1882.

My annual report to the Postmaster-General exhibits in detail the financial transactions of the Post Office Department during the last fiscal year.

* * * * *

The increase in the business of this office during the past year has been very great, not only by the addition of new post-offices, but by the growth in the business of those already existing, and in both the postal and money order branches. There has also been a great increase in the number of new mail-routes, and of changes in old routes, owing to our extended railroad system. This rapid growth and increase of business has brought with it augmented revenues, which has not only made the post-office system self-sustaining, but has carried more than a million and a half dollars into the Treasury the past year, instead of taking millions out, as heretofore. The present year will greatly swell this net surplus to be carried into the Treasury.

This increase of business, with the added work from the removals and change of quarters during the year has kept the office short-handed, notwithstanding the addition to the clerical force last year, and the faithful and diligent labors of the clerks, a large portion of whom have worked more than the established office hours to keep up their work, and more than justifies the required increase of force for the coming year.

In closing this report, I desire to call your attention to the tenure by which the Sixth Auditor's Office occupies rooms in the post-office building, and the building rented for money-order business. Since the erection of the Post-Office Building it has been jointly occupied by the Post-Office Department and the Sixth Auditor's Office; and no law, so far as I am aware, gives control of the building to either party. When Congress was asked, in 1863, to put the control of the building in the hands of the Postmaster-General, it refused or neglected to do so. The question of control now arises from the incapacity of the building to afford room for the transaction of post-office business and the auditing of post-office accounts. The number of employes occupying these buildings is in the proportion of six and a third to the Treasury Department, and ten to the Post-Office Department. When the money-order business was removed from the Post-Office Building, by order of the Postmaster-General, to the new quarters rented for its use, twelve rooms on the first floor of the Post-Office Building, which were still occupied by Treasury clerks (as they had been for twenty or more years), were desired by the Post-Office Department, and the Sixth Auditor was ordered by the Postmaster-General to vacate these rooms and go to others upon the third floor. He protested against the removal on account of the great inconvenience it would occasion for the transaction of the business of his office, and besides suggested the inequitable assignment which had been made, and the absence of any law which authorized one Department of the Government to remove at its pleasure the employes of another Department from quarters which had been occupied by them from the erection of the Post-Office Building, or changed by joint consent, all of which was unheeded.

It is manifestly right and proper that the Post-Office Department should have all the room which it needs for the performance of its business and the full custody and control of it; and it has no more than it needs. It is also equally right and proper if a bureau of the Treasury Department is to occupy a part of the Post-Office Building that it should have some rights to the space occupied, and not be subject to removal at the pleasure of another Department, or dependent upon it for its supplies and repairs. The employes of the Treasury Department still remaining in the Post-Office Building are two-fifths as many as are employed by the Post-Office Department. In the new building rented for money-order business nearly three-fourths of the employes belong to the Treasury Department, yet it is claimed that they are dependent upon the Post-Office Department for their quarters, supplies, and repairs.

For these reasons I suggest that the tenure by which this bureau of the Treasury Department holds its quarters be established by law.

I am, sir, very respectfully,

J. H. ELA,
Auditor.

Hon. C. J. FOLGER,
Secretary of the Treasury.

REPORT OF THE TREASURER OF THE UNITED STATES.

TREASURY OF THE UNITED STATES,
Washington, D. C., November 1, 1882.

SIR: I have the honor to submit a report showing the operations of the Treasury of the United States for the fiscal year 1882, and its condition on June 30, 1882.

SUMMARY OF OPERATIONS.

The receipts of the government show an increase over those of 1881 of \$22,251,054.23 in the revenue from customs; \$11,233,209.94 from internal revenue; \$2,551,277.20 from sales of public lands, and \$6,707,416.34 from miscellaneous sources, making a total increase in the net revenue of \$42,742,957.71. The total net revenue was \$403,525,250.28. The net expenditures decreased from \$260,712,887.59 to \$257,981,440.20, a reduction of \$2,731,447.39, which, added to the increase in receipts, makes an increase of \$45,474,405.10 in the surplus revenues applicable to the reduction of the public debt. The expenditures on account of interest on the public debt show a reduction of \$11,431,534.39, from \$82,508,741.18, in 1881, to \$71,077,206.79, in 1882. The excess of revenues over expenditures was \$145,543,810.08, and the amount applied to the reduction of the debt \$166,281,505.55.

The amount standing on the books of the Treasury to the credit of disbursing officers of the United States at the close of the fiscal year was \$36,067,872.48.

The receipts for the fiscal year on account of the Post-Office Department were \$41,368,062.30, and the expenditures \$39,265,299.43. Of these amounts \$20,211,991.78, or about one-half, was received and expended directly by postmasters, without being deposited in the Treasury.

The unavailable funds of the Treasury decreased from \$29,521,632.72 to \$29,517,275.32 by reason of the collection of \$4,357.40 of the \$8,750.31 heretofore reported as unavailable in the sub-treasury in New York on

account of counterfeit 7.30 notes redeemed in 1867. The unavailable funds of the Post-Office Department remain unchanged at \$10,078.06.

The amount collected from national banks on account of semi-annual duty accruing on their capital, circulation, and deposits during the year was \$9,150,684.35. The total amount collected on this account since the beginning of the national banking system is \$118,005,706.25.

There were in the custody of this office at the close of the fiscal year \$376,647,700 in United States bonds held in trust for national banks, of which \$360,722,700 were held as security for circulation and \$15,925,000 to secure deposits of public money with national-bank depositaries. During the year \$129,474,400 in bonds were deposited for these purposes and \$128,628,100 withdrawn.

The amount of United States currency outstanding at the close of the year was \$362,464,582.10. There was redeemed during the year \$105,773,706.05 in United States currency, silver certificates, and notes of failed, liquidating, and reducing national banks, making the total redemptions since the first issue of currency \$2,405,914,779.41.

The issues of silver certificates during the year were \$24,300,000 and the redemptions \$20,133,290, leaving the amount nominally outstanding at the close of the year \$66,096,710.

There were paid during the year at the various offices of the Treasury and forwarded to the Treasurer's office for examination coupons from United States bonds amounting to \$11,088,609.02, and there were issued by the Treasurer 321,623 checks on the Treasurer and assistant treasurers of the United States, amounting to \$57,547,821.20, in payment of interest on registered bonds.

There were also issued 32,550 drafts on warrants of the Secretary of the Treasury, 38,853 drafts on warrants of the Postmaster-General, and 49,089 transfer checks on assistant treasurers, making a total of 442,115 drafts and checks issued from this office during the year.

United States bonds were redeemed during the year to the amount of \$166,204,450, of which \$60,079,100 was applied to the sinking fund. The total amount of bonds retired by purchase, redemption, conversion, or exchange from March 11, 1869, to June 30, 1882, is \$2,149,549,250.

National-bank notes amounting to \$76,089,327 were redeemed during the year, making the total redemptions of these notes, under the act of June 20, 1874, \$1,175,735,322.

THE STATE OF THE TREASURY.

The following statement shows the condition of the Treasury at the close of September in each of the last four years:

	September 30, 1879.	September 30, 1880.	September 30, 1881.	September 30, 1882.
ASSETS.				
Gold Coin	\$133,536,760 39	\$68,868,091 10	\$77,338,088 71	\$102,212,334 49
Gold Bullion	36,299,810 90	66,772,094 67	97,453,477 70	50,895,629 63
Standard Silver Dollars	31,806,774 00	47,784,744 00	65,949,279 00	92,025,350 00
Fractional Silver Coin	16,873,898 47	24,723,892 68	26,343,477 17	27,429,246 56
Silver Bullion	4,299,124 25	6,154,392 92	2,622,676 18	3,641,589 37
Gold Certificates	70,700 00	31,600 00	10,100 00	
Silver Certificates	3,131,130 00	6,092,579 00	11,309,470 00	8,243,830 00
United States Notes	48,702,728 01	27,001,594 07	28,422,169 89	32,918,255 77
National-Bank Notes	4,279,958 76	3,288,404 57	4,477,713 59	6,810,338 08
National-Bank Gold-Notes	185,640 00	230,125 00	98,545 00	480 00
Fractional Currency	96,978 15	60,712 08	22,973 03	8,459 52
Deposits held by National-Bank De- positaries	17,836,816 48	11,212,315 94	12,677,454 48	12,848,870 74
Minor Coin	1,524,700 57	1,063,665 22	552,585 06	504,515 29

	September 30, 1879.	September 30, 1880.	September 30, 1881.	September 30, 1882.
New York and San Francisco Exchange	\$1,799,334 51	\$1,443,000 00	\$1,483,000 00	\$1,300,000 00
One and Two Year Notes &c	400 40	325 50	10 50	1,127 52
Redeemed Certificates of Deposit (Act of June 8, 1872)	2,025,000 00	90,000 00	210,000 00	240,000 00
Quarterly Interest Checks and Coin Coupons paid	189,579 78	141,517 91	193,452 68	166,361 31
Registered and Unclaimed Interest paid	22,355 00	10,303 50	900 00	2,610 00
United States Bonds and Interest	507 64	997,343 81	2,016,876 70	6,527,234 51
Interest on District of Columbia Bonds	516 97	3,047 12	1,770 25	2,002 83
Refunding Certificates and Interest	24,119 74			
Pacific Railroads, Sinking Fund	45,312 75			
Speaker's Certificates		128,315 00	116,916 00	138,841 00
Deficits, unavailable Funds	690,848 30	690,848 30	700,274 17	695,916 77
Total	303,485,995 07	267,676,912 40	331,981,210 11	346,552,990 39
LIABILITIES.				
Post-Office Department Account	\$2,167,991 50	\$2,600,489 16	\$3,617,703 79	\$6,157,625 54
Disbursing Officers' Balances	26,007,876 95	22,189,236 49	21,916,119 81	27,756,493 83
Fund for redemption of Notes of National Banks failed, in liquidation, and reducing circulation	12,939,889 75	19,746,955 25	31,152,713 60	38,507,029 10
Undistributed Assets of failed National Banks	642,314 33	616,560 21	399,835 68	867,276 57
Five per cent. Fund for Redemption of National Bank Notes	15,082,482 99	15,428,010 82	15,768,662 75	15,085,182 67
Fund for Redemption of National Bank Gold Notes	219,940 00	475,965 00	394,847 00	344,729 00
Currency and Minor Coin Redemption Account	4,213 15	3,075 60	7,176 11	4,118 05
Fractional Silver Coin Redemption Account	152,664 10	74,681 75	75,320 70	63,916 45
Interest Account	101,514 75	99,385 00		
Interest Account, Pacific Railroads and Louisville and Portland Canal Company	6,270 00	8,400 00	4,930 00	5,080 00
Treasurer United States, Agent for paying Interest on District of Columbia Bonds	298,435 54	366,532 59	253,795 34	244,671 50
Treasurer's Transfer Checks and Drafts outstanding	7,632,333 98	4,216,845 94	5,475,492 11	8,337,984 52
Treasurer's General Account:				
Interest due and unpaid	4,189,523 27	2,401,809 92	2,151,139 93	1,537,684 01
Matured Bonds and Interest			3,004,205 94	793,686 50
Called Bonds and Interest	31,033,519 65	5,959,436 43	17,832,841 34	14,887,218 49
Old Debt	840,668 41	816,585 07	796,488 28	799,746 37
Gold Certificates	11,916,960 00	7,511,700 00	5,248,929 00	4,967,440 00
Silver Certificates	4,571,850 00	18,521,960 00	64,149,910 00	71,569,210 00
Certificates of Deposit (Act of June 8, 1872)	31,335,000 00	9,975,000 00	8,395,000 00	10,725,000 00
Balance, including Bullion Fund	151,348,666 70	156,664,083 17	151,336,116 73	143,964,893 79
Total	303,485,995 07	267,676,912 40	331,981,210 11	346,552,990 39

The most noteworthy change in the last year is the decrease of the gold coin and bullion, held by the Treasury, from \$176,791,566.41 to \$153,047,964.12, and the increase of the standard silver dollars from \$65,949,279 to \$92,025,350; a decrease in the gold of \$23,743,602.29, and an increase in the silver dollars of \$26,076,071. Deducting the amount held for the redemption of gold certificates, the gold belonging to the government in the Treasury on the 30th of September was \$154,987,371.29 in 1879; \$128,160,085.77 in 1880; \$169,552,746.41 in 1881, and \$148,140,524.12 in 1882. Notwithstanding the decrease in the last year, the gold owned by the government is nearly \$20,000,000 more than two years ago, the amount held last year having been swelled by the deposit of gold coin for exchange on the West and South.

Deducting in like manner the silver certificates actually out-standing, the standard silver dollars owned by the government were \$30,366,054

on September 30, 1879; \$35,355,363 on the same date in 1880; \$13,108,839 in 1881, and \$28,699,970 in 1882.

The fund for the redemption of notes of national banks which have failed, gone into voluntary liquidation, or made deposits of lawful money for the reduction of their circulation, increased during the year from \$31,152,713.60 to \$38,507,029.10; the silver certificates actually outstanding, after deducting the amount held by the Treasury, from \$52,840,440 to \$63,325,380; the United States notes on hand, from \$28,422,170 to \$32,918,256, and the fractional silver coin held, from \$26,343,477.17 to \$27,429,246.56. The aggregate amount of gold and silver coin and bullion held by the Treasury increased from \$269,706,998.76 in 1881 to \$276,144,150.05 in 1882. The amount now held is \$53,336,782.04 greater than that held in 1879, and \$61,840,934.67 greater than in 1880. The gross assets of the Treasury increased during the year from \$331,981,210.11 to \$346,552,990.39, although the balance remaining after deducting the moneys held for the redemption of gold, silver and currency certificates, and for the payment of matured debt and interest, and the amount to the credit of special or trust funds, ran down from \$151,336,116.73 to \$143,964,893.79.

THE RESERVE.

The following statement shows the excess of the cash assets of the government over its net demand liabilities on the first day of November:

ASSETS.	
Gold Coin.....	\$108,888,963 44
Gold Bullion.....	50,916,780 10
Standard Silver Dollars.....	92,414,977 00
Fractional Silver Coin.....	26,749,432 45
Silver Bullion.....	4,012,503 27
Deposits with National Bank Depositories.....	8,738,523 16
United States Notes.....	29,689,196 17
National Bank Notes.....	6,370,051 58
Total assets.....	\$327,780,427 17
LIABILITIES.	
Old Debt.....	\$792,012 27
Called Bonds matured, and interest.....	9,661,510 16
Matured Bonds and interest.....	786,524 00
Interest due and not paid.....	5,255,170 24
Gold Certificates outstanding.....	11,370,270 00
Silver Certificates outstanding.....	65,620,450 00
Certificates of Deposit (Act of June 8, 1872), outstanding.....	9,835,000 00
Disbursing Officers' Balances and various small accounts.....	24,208,117 05
Outstanding Drafts and Checks.....	5,635,232 31
Five per cent. Fund for Redemption of National Bank Notes.....	14,471,298 01
Fund for Redemption of Notes of National Banks failed, in liquidation, and reducing circulation.....	38,169,253 10
Post-Office Department Account.....	6,823,901 04
Total Liabilities.....	192,628,738 18
Reserve—Excess of Assets.....	135,151,688 99

The above liabilities are the net liabilities after deducting the redeemed or unissued obligations of the various classes held by the Treasury.

The reserve is computed by deducting from the cash in the Treasury the aggregate of the current liabilities other than United States notes. The remainder of \$135,151,688.99 is considered to be the reserve avail-

able for the redemption of United States notes. In other words, if all of the liabilities of the government payable on demand should be at once discharged, if the entire amount advanced from the Treasury and placed to the credit of disbursing officers of the government should be drawn out, if the funds deposited for the redemption of national bank notes should be immediately called for, and if that portion of the public funds held for the Post Office Department should be set aside, there would still remain \$135,151,688.99 in cash to meet any demand for the redemption of United States notes. The reserve has apparently run down \$11,291,802.78 since October 1, 1881. This reduction is accounted for by the fact that by direction of the Secretary payment has been anticipated on \$12,063,714.72 in called bonds, not yet matured.

The following statement shows the percentage of reserve when computed on this plan, and what the percentage would be if sufficient funds were set aside for the payment in full of the gold, silver, and currency certificates, and the remainder of the cash were considered as a *pro rata* reserve against all of the other demand liabilities of the government:

Month.	Current liabilities excluding United States notes and coin and currency certificates.	Current liabilities excluding certificates and including United States notes, viz: \$346,681,016.	Cash less amount of coin and currency certificates.	Present reserve, percentage of excess of assets over liabilities to United States notes outstanding.	Percentage of cash, less coin and currency certificates, to demand liabilities including United States notes and excluding certificates.
1881.					
November.....	\$96,016,066 43	\$142,697,082 43	\$236,823,891 82	49.6	53.5
December.....	94,758,356 40	441,419,362 40	241,239,965 55	42.2	54.6
1882.					
January.....	99,284,466 33	445,965,482 33	\$235,686,783 59	39.3	52.8
February.....	94,981,460 46	440,762,476 46	233,957,187 81	40.3	53.1
March.....	94,909,102 30	441,680,118 39	229,766,777 48	43.8	55.0
April.....	98,002,541 72	443,773,557 72	242,221,436 12	42.1	54.7
May.....	95,034,000 98	441,715,485 98	235,988,186 85	40.7	53.4
June.....	108,500,000 00	455,231,540 00	245,546,004 93	39.8	54.1
July.....	124,453,639 28	471,131,000 28	242,873,241 13	34.2	51.5
August.....	136,260,031 56	472,944,997 56	216,469,274 17	54.7	52.1
September.....	111,400,149 42	458,166,156 42	249,723,865 05	39.9	54.5
October.....	116,253,384 21	461,964,500 21	245,352,888 80	37.2	53.0
November.....	105,803,618 18	452,484,034 18	240,954,707 17	39.0	53.3
Average for forty-seven months.....	95,026,993 46	441,708,000 46	230,358,016 54	39.0	52.1

On the first assumption the reserve for the redemption of United States notes has ranged during the last thirteen months from 34.2 to 43.8 per cent., and the monthly average since the resumption of specie payments has been 39 per cent. On the second assumption the ratio of the reserve to the liabilities has varied during the thirteen months from 51.5 to 55.9 per cent., and has averaged since resumption 52.1 per cent. Were the 40 per cent. reserve, which it is deemed necessary to maintain, computed on the latter basis, the amount now held would be \$59,961,093.50 in excess of the required amount.

UNITED STATES NOTES.

The following statement shows the changes which have taken place in the denominations of United States notes outstanding at the close of each of the last four fiscal years:

Denomination.	1879.	1880.	1881.	1882.
One dollar.....	\$18,209,980 80	\$20,332,332 00	\$22,645,761 60	\$25,720,953 60
Two dollars.....	18,092,653 20	20,352,813 00	22,244,122 40	24,622,625 40
Five dollars.....	54,167,113 00	65,432,548 00	69,569,078 00	67,342,540 00
Ten dollars.....	64,638,562 00	74,916,751 00	76,990,387 00	72,784,766 00
Twenty dollars.....	60,470,887 00	72,143,207 00	72,271,597 00	68,657,471 00
Fifty dollars.....	25,523,340 00	24,808,995 00	23,702,910 00	24,191,770 00
One hundred dollars.....	32,038,480 00	32,797,870 00	32,947,660 00	34,469,390 00
Five hundred dollars.....	32,569,500 00	19,224,000 00	14,570,000 00	14,876,000 00
One thousand dollars.....	35,070,500 00	16,532,500 00	12,024,500 00	12,335,500 00
Five thousand dollars.....	4,000,000 00	680,000 00	453,000 00	420,000 00
Ten thousand dollars.....	2,960,000 00	460,000 00	260,000 00	2,260,000 00
Total.....	347,681,016 00	347,681,016 00	347,681,016 00	347,681,016 00
Less unknown denominations destroyed in sub-treasury in Chicago fire.....	1,000,000 00	1,000,000 00	1,000,000 00	1,000,000 00
Outstanding.....	346,681,016 00	346,681,016 00	346,681,016 00	346,681,016 00

During the year there was an increase of \$3,075,192 in the one-dollar notes outstanding; \$2,378,503 in two-dollar notes; \$488,860 in fifty-dollar notes; \$1,521,730 in one-hundred-dollar notes; \$306,000 in five-hundred-dollar notes; \$311,000 in one-thousand-dollar notes, and \$2,000,000 in ten-thousand-dollar notes; and a decrease of \$2,226,538 in five-dollar notes; \$4,205,621 in ten-dollar notes; \$3,614,126 in twenty-dollar notes, and \$35,000 in five-thousand-dollar notes.

The number of notes outstanding at the close of the fiscal year was 63,083,047 as against 59,839,069 outstanding on June 30, 1881. The amount of ones and twos outstanding has increased \$14,040,945 in three years.

The issues and redemptions during the last three fiscal years have been as follows:

Denomination.	1880.		1881.		1882.	
	Issued.	Redeemed.	Issued.	Redeemed.	Issued.	Redeemed.
One dollar.....	\$9,057,863	\$6,935,511 80	\$9,889,034	\$7,575,604 40	\$11,445,524	\$8,370,332 00
Two dollars.....	8,232,000	5,971,840 20	8,752,000	6,860,690 60	10,472,000	8,093,497 00
Five dollars.....	19,680,000	8,354,565 00	14,760,000	10,623,470 00	14,280,000	16,506,538 00
Ten dollars.....	16,520,000	6,241,811 00	9,160,000	7,086,364 00	6,680,000	10,885,621 00
Twenty dollars.....	17,360,000	5,687,680 00	6,240,000	6,111,610 00	5,680,000	9,294,126 00
Fifty dollars.....	1,400,000	2,114,345 00	1,200,000	2,306,085 00	3,200,000	2,711,140 00
One hundred dollars.....	3,052,700	2,293,310 00	2,944,300	2,794,510 00	4,527,900	3,006,170 00
Five hundred dollars.....	2,300,000	15,645,500 00	700,000	5,354,000 00	1,750,000	1,444,000 00
One thousand dollars.....	700,000	19,238,000 00	900,000	5,408,000 00	1,500,000	1,189,000 00
Five thousand dollars.....	1,000,000	4,320,000 00	.....	225,000 00	4,995,000	5,030,000 00
Ten thousand dollars.....	2,000,000	4,500,000 00	.....	200,000 00	14,990,000	12,990,000 00
Total.....	81,302,563	81,302,563 00	54,545,334	54,545,334 00	79,520,424	79,520,424 00

Under the provision for the payment of the express charges on worn and mutilated United States notes, the redemptions have much increased, the amount redeemed during the fiscal year being \$79,520,424 as against \$54,545,334 redeemed in 1881. The number of notes redeemed increased from 14,235,106 to 17,362,320. The notes of the denominations of \$5,000 and \$10,000 reported as issued and redeemed during the year had been

held in the reserve fund of unissued notes, and were passed through the accounts in order that they might be destroyed.

The amount of United States notes received in payment of duties on imports during the year just ended is \$24,650,576 as against \$19,079,753 in the year ending October 31, 1881. The total amount so received since the resumption of specie payments is \$186,053,930, an average of \$4,044,650 a month.

The monthly receipts since January 1, 1879, have been as follows:

Month.	1879.	1880.	1881.	1882.
January	\$3,864,880	\$4,126,450	\$1,689,768	\$1,749,386
February	9,349,452	4,177,161	2,949,966	1,886,385
March	11,919,876	3,702,727	1,830,813	1,931,273
April	10,562,066	3,231,697	1,310,202	2,032,592
May	9,793,596	2,888,188	1,402,118	2,089,960
June	9,339,778	3,951,588	1,479,503	2,045,150
July	19,588,115	4,029,892	1,641,006	2,613,515
August	11,261,367	2,841,658	1,873,788	2,792,409
September	12,506,018	2,241,305	1,476,118	2,590,294
October	9,281,243	1,802,288	1,353,453	2,448,314
November	4,612,198	1,567,184	1,341,644	.....
December	3,051,219	1,405,984	1,145,065	.....

CLEARING-HOUSE TRANSACTIONS.

The transactions of the Treasury with the clearing-house in New York, for the last thirteen months, are shown by the following statement:

Date.	Checks sent to clearing-house.	Checks received from clearing-house.	Balances due assistant treasurer.	Balances due clearing-house.
1881.				
October	\$10,518,934 57	\$41,322,740 16	.....	\$20,893,805 59
November	10,003,041 31	19,158,872 88	\$705,233 56	9,761,115 23
December	10,672,260 43	31,855,546 95	.....	21,183,286 52
1882.				
January	9,120,253 39	31,882,826 81	.....	22,762,573 42
February	8,823,297 09	16,312,210 92	61,914 23	7,551,858 06
March	7,791,364 53	39,785,829 02	.....	22,992,464 43
April	8,207,533 89	33,586,242 24	.....	25,178,708 31
May	11,068,685 02	24,877,111 58	29,549 99	13,837,976 26
June	11,425,829 30	23,979,690 23	496,712 66	19,050,552 59
July	11,587,438 74	32,761,010 58	51,847 90	21,165,419 54
August	11,989,235 62	36,384,377 32	111,609 85	18,506,781 55
September	12,521,011 04	36,796,071 62	146,102 53	18,361,163 11
October	11,753,823 68	28,758,721 56	623,008 36	18,627,904 24
Total	135,482,670 27	383,060,211 13	2,126,476 99	249,703,608 85

The assistant treasurer received from the clearing-house checks for payment amounting to \$383,060,211.13 and \$2,126,076.99 in cash in payment of balances in his favor, and sent to the clearing-house checks for payment amounting to \$135,482,679.27 and \$249,703,608.85 in cash in payment of balances against him, making the aggregate transactions on each side \$385,186,288.12.

STANDARD SILVER DOLLARS.

The amount of standard silver dollars coined from February 28, 1878, the date of the act requiring their coinage, to October 31, 1882, is \$128,329,880, of which \$93,006,382 remains in the Treasury and \$35,323,498,

or about 27½ percent., is in circulation. The proportion of the total coinage in circulation on September 30, 1881, was nearly 33 per cent. Of the \$30,007,175 coined during the last thirteen months, \$2,950,072 has gone into circulation and \$27,057,103 remains in the Treasury. During seven months of that period the dollars returned to the Treasury exceeded in amount those issued, the number in circulation running down from 34,950,123 on December 31, 1881, to 31,560,755 on July 31, 1882.

The following table gives the amount of silver dollars coined, on hand, distributed, and outstanding to September 30 in each year since the coinage was resumed:

Year.	Annual coinage.	Total coinage.	On hand at close of year.	Net distribution during year.	Outstanding at close of year.
March to September 30, 1878...	\$16,212,500	\$16,212,500	\$12,155,205	\$4,057,295	\$4,057,295
To September 30, 1879	26,421,600	42,634,100	31,806,774	6,770,031	10,827,326
To September 30, 1880	27,934,650	70,568,750	47,784,744	11,956,680	22,784,006
To September 30, 1881	27,753,955	98,322,705	65,949,279	9,589,420	32,373,426
To September 30, 1882	27,707,175	126,029,880	92,468,038	1,188,416	33,561,842

The coinage and distribution of silver dollars during each of the last thirteen months are shown below:

Month.	Monthly coinage.	Coined to the end of the month.	On hand at close of month.	Net distribution during month.	Outstanding at close of month.
1881.					
October	\$2,350,000	\$100,672,705	\$67,299,481	\$999,798	\$33,373,224
November	2,300,000	102,972,705	68,620,414	979,067	34,352,291
December	2,408,275	105,380,980	70,430,857	597,832	34,950,123
1882.					
January	2,300,000	107,680,980	73,506,654	.....	34,174,326
February	2,300,200	109,981,180	76,541,417	.....	33,439,763
March	2,300,500	112,281,680	79,582,820	.....	32,698,860
April	2,300,000	114,581,680	82,259,754	.....	32,321,926
May	2,262,000	116,843,680	85,006,570	.....	31,837,110
June	2,301,100	119,144,780	87,524,182	.....	31,620,598
July	2,160,000	121,304,780	89,741,025	.....	31,560,755
August	2,425,000	123,729,780	91,741,030	427,995	31,988,750
September	2,309,100	126,029,880	92,468,038	1,573,092	33,561,842
October	2,300,000	128,329,880	93,006,382	1,761,656	35,323,498

SILVER CERTIFICATES.

The amount of silver certificates outstanding increased during the fiscal year from \$51,166,530 to \$66,096,710. This increase was entirely in certificates of the denominations of ten and twenty dollars. The amount nominally outstanding at this date is \$73,607,710, of which \$7,987,260 is held by the Treasury. The departmental circular of September 18, 1880, authorizing exchange payable in these certificates at the sub-treasuries in the West and South to be furnished for deposits of gold coin with the assistant treasurer in New York, under which large amounts of silver certificates were put in circulation, was modified in November, 1881, by reducing the amount which might be deposited on this account to \$25,000 a day, and was finally rescinded October 15, 1882.

The issues and redemptions of silver certificates of each denomination during the fiscal year have been as follows:

Denomination.	Outstand- ing June 30, 1881.	Issued.		Redeemed.		Outstand- ing June 30, 1882.
		During fis- cal year.	To June 30, 1882.	During fis- cal year.	To June 30, 1882.	
Ten dollars	\$20,367,030	\$12,219,690	\$3,114,000	\$2,361,310	\$1,868,280	\$29,245,720
Twenty dollars	18,162,100	9,000,000	17,788,000	2,241,800	1,025,700	24,960,240
Fifty dollars	5,181,600	400,000	4,000,000	788,000	790,450	3,283,550
One hundred dollars	4,029,300	800,000	5,100,000	800,000	1,119,300	4,020,700
Five hundred dollars	1,646,000	700,000	4,000,000	412,000	2,610,500	1,734,500
One thousand dollars	3,480,000	1,120,000	11,900,000	1,718,000	9,100,000	2,852,000
Total	51,166,530	24,300,000	\$3,230,000	8,369,820	29,133,280	66,096,710

GOLD CERTIFICATES.

Of the old issue of gold certificates under the act of March 3, 1863, there were redeemed during the fiscal year \$745,800, making the total redemptions \$976,097,760.46, and reducing the amount outstanding to \$5,037,120.

Of the issue authorized by the act of July 12, 1882, \$138,000,000 have been printed for issue by the assistant treasurer of the United States in New York. Of these there have been issued to October 31, \$21,790,000, of which \$14,827,720 are held in the cash of the various sub-treasuries, leaving the amount actually outstanding \$6,962,280. There is in preparation a separate series of certificates known as the "Washington issue," to be issued through this office for the use of the assistant treasurers in other cities than New York.

CLEARING-HOUSE CERTIFICATES.

During the fiscal year \$16,910,000 in clearing-house certificates was issued and \$15,165,000 redeemed, leaving the amount outstanding \$13,360,000 as compared with \$11,615,000 outstanding at the close of the last fiscal year. The amount now actually outstanding is \$9,835,000.

The following table shows the total amount issued and redeemed, and the amount outstanding at the close of each fiscal year from 1873 to 1882:

Fiscal year.	Total amount issued.	Total amount redeemed.	Outstanding as shown by the Treasurer's books.
1873	\$47,240,000	\$25,430,000	\$31,810,000
1874	147,000,000	78,915,000	58,990,000
1875	219,000,000	153,955,000	59,045,000
1876	291,000,000	268,260,000	33,140,000
1877	378,000,000	324,305,000	53,980,000
1878	468,000,000	418,720,000	46,245,000
1879	500,000,000	505,400,000	29,330,000
1880	601,700,000	588,600,000	13,125,000
1881	602,800,000	601,235,000	11,615,000
1882	629,700,000	616,400,000	13,360,000

The highest amount outstanding at the close of any fiscal year was \$59,045,000, on June 30, 1875. The use of these certificates has greatly declined since the resumption of specie payments.

FRACTIONAL SILVER AND MINOR COIN.

During the fiscal year 4,150 packages containing \$3,367,754.18 in fractional silver coin were forwarded from this office, at the expense of the government for express charges, in return for currency redeemed or for deposits of lawful money in the Treasury.

Under the appropriation of \$25,000 made by the act of August 7, 1882, for the recoinage of uncurrent silver coins in the Treasury, \$383,273.96 in uncurrent silver three-cent and five-cent pieces, \$5,798.15 in foreign silver coins, and \$621 in standard silver dollars were recoined into \$363,821.34 in dimes, at a net loss of \$25,871.77. The excess of the loss over the \$25,000 appropriated was borne from the appropriation for the recoinage of gold and silver coins.

The denominations of the minor coin in the Treasury on September 30, 1882, were as follows:

Five-cent nickel	\$71,200 45
Three-cent nickel	155,376 83
Two-cent bronze	4,834 52
One-cent bronze, nickel, and copper.....	192,159 14
Mixed	89,944 35
	<hr/>
	504,515 29

The supply of five-cent nickel coins in the Treasury, which three years ago reached the sum of \$1,184,252.95, was exhausted during the year and their coinage was resumed by the Mint. None of these coins are supplied by the Treasury, but the one-cent and five-cent pieces are furnished in multiples of \$20 by the Mint, which bears the expense of their transportation.

Included in the amount on hand is a considerable quantity of coins of the various denominations unfit for circulation, for the recoinage of which an appropriation of \$1,000 has been made.

FRACTIONAL CURRENCY.

The amount of fractional currency redeemed during the fiscal year was only \$68,705.55, against \$109,001.05 in the preceding year. The amount outstanding at the close of the year was \$15,423,186.10. The redemptions for each year since 1876, when the issue ceased, have been as follows:

1877	\$14,043,458 05
1878	3,855,368 57
1879	705,158 66
1880	251,717 41
1881	109,001 05
1882	58,705 55

MUTILATED, STOLEN, AND COUNTERFEIT CURRENCY.

There was detected by this office, in remittances of currency received for redemption during the year, \$5,436 in counterfeit United States notes, \$370.10 in counterfeit fractional currency, \$3,429 in counterfeit national-bank notes, and \$775 in "stolen" national-bank notes. The

denominations of the counterfeit United States notes and national-bank notes rejected were as follows:

Denomination.	United States notes.	National-bank notes.
One dollar	\$22 00	.....
Two dollars	34 00	\$84 00
Five dollars	420 00	1,425 00
Ten dollars	780 00	720 00
Twenty dollars	1,380 00	600 00
Fifty dollars	1,500 00	.....
One hundred dollars	500 00	600 00
One thousand dollars	1,000 00	.....
Total	5,436 00	3,429 00

The number of the counterfeit United States notes was 286, and of the counterfeit national-bank notes 435.

During the year one of the national banks, a portion of whose notes was stolen when signed by but one of its officers, and put in circulation with the fictitious signature of the other, went into voluntary liquidation and deposited in the Treasury lawful money for the redemption of all of its circulation, including the stolen notes. By consent of the officers of the bank, and with the approval of the Secretary of the Treasury, the stolen notes when presented at this office have been redeemed from the bank's deposit of lawful money.

There was deducted during the year, on account of mutilations, from the face value of United States notes redeemed \$12,086; from fractional currency, \$199.68; and from notes of failed, liquidating, and reducing national banks, \$86.50; making the total deductions on this account \$319,149.16 on notes of the face value of \$2,406,233,928.57 redeemed. In accordance with the recommendation made in the Treasurer's last annual report, the rule subjecting mutilated United States currency to a discount proportioned to the part lacking was modified, in March, 1882, so that fragments equal to three-fifths of whole notes are redeemed in full, and notes of which from one-half to three-fifths remains at one-half their face value. This rule has been found to be sufficient for the protection of the Treasury from fraud, and its application has saved much labor and annoyance to this office, while it has relieved the holders of mutilated notes from the hardship to which they were formerly subjected. Mutilated United States notes and national-bank notes are now redeemed under substantially the same regulations.

SALES OF EXCHANGE.

During the year ending September 30, 1882, exchange between the principal cities was furnished by the Treasury Department to the amount of \$30,844,100. For deposits of gold coin in New York, telegraphic orders payable in silver certificates, amounting to \$14,929,500, were drawn on the assistant treasurers in Cincinnati, Chicago, Saint Louis, and New Orleans, of which \$8,199,500 was payable in New Orleans; and, for like deposits, orders payable in gold coin were drawn on Philadelphia for \$6,569,600, and on New Orleans for \$3,550,000. The exchange on New Orleans was sold for a premium of \$2,808.75. For deposits in New York and Baltimore, exchange amounting to \$795,000, payable in standard silver dollars, was drawn on Philadelphia, and \$5,000,000 in exchange on New York was sold in San Francisco for United States notes.

DEPOSITARY BANKS.

The public funds deposited with national-bank depositaries during the fiscal year amounted to \$143,261,541.41, making the total receipts of public moneys by these depositaries since the establishment of the national banking system \$3,812,722,588.02. The balance remaining with them at the close of the year to the credit of the Treasurer was \$9,610,432.86, and the balance to the credit of disbursing officers amounted to \$3,152,254.56, making a total deposit of \$12,762,687.42, which is protected by \$15,925,000 in United States bonds lodged with the Treasurer.

The receipts and disbursements of public funds by bank depositaries during the last nineteen fiscal years have been as follows:

Fiscal year.	Receipts.	Funds transferred to depositary banks.	Funds transferred to the Treasury by depositary banks.	Drafts drawn on depositary banks.	Balance at close of the year.
1864	\$153,395,108 71	\$816,000 00	\$85,507,674 08	\$28,726,695 88	\$39,976,738 75
1865	987,564,639 14	8,110,294 70	583,697,912 72	415,887,767 81	36,065,992 06
1866	497,566,676 42	13,523,972 62	363,085,565 65	149,772,756 11	34,298,319 34
1867	351,737,083 83	8,405,903 63	331,039,872 57	37,218,612 76	26,182,821 47
1868	225,244,144 75	9,404,392 00	215,311,460 69	22,218,187 92	23,301,709 61
1869	105,160,573 67	10,052,199 44	114,748,877 24	14,890,463 75	8,875,141 73
1870	120,084,041 79	2,466,521 06	111,123,926 18	11,818,228 61	8,483,540 79
1871	99,299,840 85	2,633,129 45	89,428,544 04	13,790,961 01	7,197,015 04
1872	106,104,855 16	3,050,444 05	94,938,603 76	13,635,837 49	7,777,873 00
1873	169,602,743 98	9,004,842 49	108,089,786 76	16,110,519 07	62,185,153 64
1874	91,108,846 70	2,729,958 81	134,869,112 57	13,364,554 52	7,790,292 06
1875	98,228,249 53	1,737,445 60	82,184,304 05	13,657,678 25	11,914,004 89
1876	97,402,227 57	2,445,451 49	89,981,146 99	13,909,616 83	7,870,920 13
1877	106,470,261 22	2,353,196 29	94,276,400 35	14,862,200 88	7,555,776 41
1878	99,781,053 48	2,385,920 38	90,177,963 35	12,606,870 60	6,937,916 32
1879	109,397,525 67	6,890,489 06	100,498,469 29	15,544,058 34	7,183,408 42
1880	119,493,171 94	6,489,634 17	109,641,232 64	15,525,023 03	7,999,953 86
1881	131,820,002 20	5,646,092 46	118,143,724 91	18,888,772 82	8,933,550 79
1882	143,261,541 41	5,256,574 29	129,131,305 07	18,709,928 56	9,610,432 86
Total....	3,812,722,588 02	103,402,461 99	3,045,875,882 91	860,638,734 24	.....

PACIFIC RAILROAD SINKING FUNDS.

There are held by this office on account of the Pacific Railroad sinking funds, established by the act of May 7, 1878 (20 Statutes, 56), bonds as follows:

For the Union Pacific Railroad Company.

Pacific Railway bonds, currency sixes.....	\$361,000
Loan of July 12, 1882, 3 per cents.....	256,450
Funded loan of 1907, 4 per cents.....	32,656
	<u>650,100</u>

For the Central Pacific Railroad Company.

Pacific Railway bonds, currency sixes.....	444,000
Loan of July 12, 1882, 3 per cents.....	194,900
Funded loan of 1907, 4 per cents.....	199,100
	<u>838,000</u>

Bonds of the funded loan of 1881, to the amount of \$256,450, held for the Union Pacific Railroad Company, and \$194,900, for the Central Pacific Railroad Company, continued at $3\frac{1}{2}$ per cent., were exchanged for bonds of the loan of July 12, 1882, bearing 3 per cent.

TRUST FUNDS.

The Indian Trust Funds.

The bonds and stocks of the Indian Trust Fund, at the close of the fiscal year, in the custody of this office, in conformity with the act of Congress of June 10, 1876 (19 Statutes, 58), amounted to \$1,878,816.83 $\frac{3}{4}$. Of this amount \$280,000 was in Pacific Railway bonds, currency sixes, and the remainder in State and corporation stocks and bonds, as shown in the table in the appendix.

During the fiscal year United States bonds to the amount of \$2,186,050 were sold, in pursuance of instructions from the Secretary of the Interior, and the proceeds, amounting to \$2,231,021, deposited in the Treasury, as provided for in the act of April 1, 1880 (21 Statutes, 70), and one bond of \$500, of the loan of July and August, 1861, was delivered to the Secretary of the Treasury for redemption, and the proceeds deposited in pursuance of the same act.

The remaining \$121,000 in bonds of the Nashville and Chattanooga Railroad Company, due July 1, 1882, were paid by the company at maturity, and the principal deposited in the Treasury in accordance with the act of April 1, 1880; the interest, \$3,630, was deposited in the Treasury to the credit of the Secretary of the Interior, trustee of various Indian tribes. Detached and unpaid coupons from these bonds to the amount of \$153,510 are held in this office. Action to obtain payment of this amount, with interest, is now pending in the United States circuit court at Nashville, Tenn.

American Printing-House for the Blind.

Under the act of March 3, 1879 (20 Statutes, 467), \$250,000 in United States four per cent. bonds are held in the name of the Secretary of the Treasury, trustee, "to promote the education of the blind," the interest on which is paid to the trustees of the American Printing-House for the Blind, in Louisville, Ky., in conformity with that act.

Pennsylvania Company.

Under the provisions of department circular No. 146, dated November 29, 1876, \$200,000 in registered bonds of the funded loan of 1891, are held in trust for the Pennsylvania Company for the security of unappraised dutiable merchandise, and dutiable merchandise in bond, transported by it.

Manhattan Savings Institution.

United States bonds issued to replace those alleged to have been stolen from the vaults of the Manhattan Savings Institution, New York, are held in this office to the amount of \$200,000 to protect the United States from loss, as provided by the act of December 19, 1878 (20 Statutes, 589).

Cincinnati Chamber of Commerce.

Forty thousand dollars in United States 4 per cent. bonds, in the name of the Treasurer of the United States, in trust for the Cincinnati Chamber of Commerce and Merchants' Exchange, are held in this office in pursuance of a contract between the Secretary of the Treasury and the Cincinnati Chamber of Commerce and Merchants' Exchange, made under the authority of a joint resolution of Congress approved February 27, 1879 (20 Statutes, 488), being the investment of a partial payment for the site of the old post-office and custom-house in the city of Cincinnati. The bonds are to be sold and the proceeds applied in payment of the property when a deed of conveyance is executed.

UNITED STATES BONDS HELD FOR NATIONAL BANKS.

At the close of the fiscal year the United States bonds held in trust for the national banks amounted to \$376,647,700. Of this amount \$360,722,700 was held to secure circulation, and \$15,925,000 to secure public moneys, as follows:

TO SECURE CIRCULATION.

Ten-forties of 1864, 5 per cents.....	\$50,000
Pacific Railway bonds, 6 per cents.....	3,326,000
Funded loan of 1881, 5 per cents.....	24,000
Funded loan of 1881, continued at $3\frac{1}{2}$ per cent.....	202,147,650
Loan of July and August, 1861, continued at $3\frac{1}{2}$ per cent.....	7,138,300
Loan of 1863 ('81s), continued at $3\frac{1}{2}$ per cent.....	18,004,300
Funded loan of 1891, $4\frac{1}{2}$ per cents.....	32,752,650
Funded loan of 1907, 4 per cents.....	97,279,800
	<hr/>
	360,722,700
	<hr/>

TO SECURE PUBLIC MONEYS.

Pacific Railway bonds, 6 per cents.....	\$33,000
Loan of July and August, 1861, continued at $3\frac{1}{2}$ per cent.....	88,300
Loan of 1863 ('81s), continued at $3\frac{1}{2}$ per cent.....	797,100
Funded loan of 1881, continued at $3\frac{1}{2}$ per cent.....	7,614,000
Funded loan of 1891, $4\frac{1}{2}$ per cents.....	854,100
Funded loan of 1907, 4 per cents.....	6,538,500
	<hr/>
	15,925,000
	<hr/>

The amount of bonds deposited during the year was \$129,474,400, and of bonds withdrawn, \$128,628,100. The total movement of bonds held in trust for national banks was \$258,102,500.

The amount of United States bonds continued at $3\frac{1}{2}$ per cent. held in trust for national banks July 1, 1882, was \$235,789,650. During the month of July \$795,000 of the above bonds, included in calls for redemption, were withdrawn. Of the remaining $3\frac{1}{2}$ per cent. bonds \$180,524,250 have since been withdrawn and exchanged into 3 per cent. bonds, under the provisions of the act of July 12, 1882.

SEMI-ANNUAL DUTY.

The semi-annual duty assessed upon and collected from the national banks by the Treasurer of the United States for the fiscal year is as follows:

On circulation.....	\$3,190,981 98
On deposits.....	5,521,927 47
On capital.....	437,774 90
	<hr/>
	9,150,684 35

This amount of semi-annual duty, which is the largest collected in any year since the establishment of the national banking system, exceeds the amount collected in the fiscal year ended June 30, 1881, by \$657,131.80.

The total amount of semi-annual duty collected by this office from the national banks for the fiscal years from 1864 to 1882, as shown in the appendix, is:

On circulation.....	\$52,253,518 24
On deposits.....	58,166,276 70
On capital.....	7,585,911 31
	<hr/>
Total.....	118,005,706 25

THE REDEMPTION OF NATIONAL-BANK NOTES.

The national-bank notes received for redemption during the fiscal year amounted to \$76,089,327, an increase over the preceding year of \$16,439,068, or more than 27½ per cent. Notwithstanding this increase the redemptions were less than one-third as great as in 1877, when they reached \$236,210,375. \$28,012,000 was received from the city of New York, \$7,379,000 from Boston, and \$5,939,000 from Philadelphia. The largest amount received in any year from New York was \$80,925,000 in 1875, and from Boston \$80,527,000 in 1878, the amount in each case being greater than the entire redemptions during the fiscal year 1882.

The amount assorted during the year was \$74,593,730, of which \$3,891,500 was fit for circulation and returned to the banks that issued it, \$53,838,500 was unfit for circulation, and \$16,953,730 was of the issue of banks which have failed, gone into liquidation, or made deposits of lawful money for the retirement of part of their circulation. The amount of notes fit for circulation redeemed was less than in any preceding year, constituting but 5 per cent. of the total redemptions, while the amount of notes unfit for circulation was greater than in any of the preceding four years. The amount of notes fit for circulation redeemed has steadily declined since 1878. In that year they amounted to \$152,437,309, and constituted more than 70 per cent. of the total redemptions. The proportion of notes of reducing banks included in the amount redeemed was greater than in any preceding year, being \$14,150,026, or nearly 19 per cent. of the total amount assorted.

The expenses incurred in the redemption of national-bank notes during the year were \$129,529.38 as against \$126,212.12 during the preceding year. The increase is more than covered by the increase in the charges for transportation, the expenses of redeeming and assorting the notes having been reduced from \$92,368.26 in 1881 to \$90,326.07 in 1882—a smaller expenditure than in any preceding year. Heretofore, in accordance with a construction of the law adopted at the outset, the charges for transportation have been assessed upon the several national banks in proportion to the amount, and the expenses of assorting in proportion to the number, of their notes redeemed. For the last fiscal year, for the first time, all of the expenses of redemption have been assessed in proportion to the amount of the notes of each bank redeemed. This method seems to conform more closely than the former one to the requirement of the law that “the amount assessed upon each association shall be in proportion to the circulation redeemed,” while it saves the labor and expense of computing the number of notes redeemed for each bank.

At the Treasurer's suggestion there was inserted in the act of July 12, 1882, extending the corporate existence of national banks, a provision that “all national banks which have heretofore made or shall hereafter make deposits of lawful money for the reduction of their circulation shall be assessed * * * for the cost of transporting and redeeming their notes redeemed from such deposits subsequently to June 30, 1881.” Accordingly, all notes of reducing banks redeemed during the last fiscal year have been subjected to assessment, making the total amount assessed \$71,794,526, and the average rate \$1.80⁴¹/₁₀₀ for each \$1,000 redeemed and assorted. Had the reducing banks been relieved from assessment as heretofore, the assessment upon the other banks would have been at the rate of \$2.25 for each \$1,000, or one-fourth greater.

The same section provides that the national banks which shall thereafter make deposits of lawful money for the retirement in full of their

circulation shall, at the time of their deposit, be assessed for the cost of transporting and redeeming their notes then outstanding a sum equal to the average cost of the redemption of national-bank notes during the preceding year. The assessments made under this section on national banks going into voluntary liquidation are credited to a consolidated account to which are to be annually charged the actual expenses of transporting and redeeming the notes of such banks.

DEPOSITS FOR RETIREMENT OF BANK CIRCULATION.

The ninth section of the act of July 12, 1882, extending the charters of national banks, limits to \$3,000,000 a month the deposits of lawful money which may be made for the withdrawal of bank circulation under section 4 of the act of June 20, 1874, exclusive of the amount which may be withdrawn in consequence of the calling by the Secretary of the Treasury of bonds for redemption. The amount deposited on this account from the date of the passage of the act to October 31, was \$4,581,825, of which \$1,882,340 consisted of lawful money deposited with the Treasury and assistant treasurers of the United States, and \$2,699,485 of the proceeds of called bonds. The deposits of lawful money during the same period for the retirement of the circulation of national banks in voluntary liquidation were \$1,860,135.

The following table shows the monthly deposits on each account:

Date.	Deposits on reducing account.			Deposits on liquidating account.	Aggregate deposits on liquidating and reducing accounts.
	Lawful money.	Proceeds of called bonds.	Total on reducing account.		
1882.					
July	\$732,470		\$732,470	\$676,800	\$1,409,270
August	421,630	\$1,702,685	2,124,315	572,190	2,696,505
September	341,480	581,720	923,200	300,545	1,223,745
October	386,760	415,080	801,840	310,600	1,112,440
	1,882,340	2,699,485	4,581,825	1,860,135	6,441,960

RESTORATION OF SALARIES.

In conclusion, the Treasurer earnestly renews the recommendation made in his last annual report for the restoration to their former amounts of the salaries of the officers of his office which were reduced by the appropriation act of 1876. The amount required to make the restoration is only \$3,600 per annum—the salary of three clerks of the lowest grade—while the number of officers who would be benefited by it is twenty. Even with the restored salaries, the pay of these officers will be much less than is paid for like services and responsibilities in private establishments, and less than the salaries of officers of no higher rank in some other branches of the public service. The action recommended would simply restore the salaries to the amounts at which they are fixed by law (18 Statutes, 397, 399).

No loss of the public money has occurred in this office during the last year.

Very respectfully, your obedient servant,

JAS. GILFILLAN,

Treasurer of the United States.

HON. CHARLES J. FOLGER,

Secretary of the Treasury.

*

*

*

*

*

*

*

REPORT OF THE REGISTER OF THE TREASURY.

TREASURY DEPARTMENT,
REGISTER'S OFFICE,

November 8, 1882.

SIR: I have the honor to transmit herewith a report of the work performed in this office during the fiscal year ended on the 30th day of June, 1882.

It affords me pleasure to state that the performance of their official duties by the employes of this bureau has been faithful and satisfactory.

LOAN DIVISION.

Total number of coupon and registered bonds issued.....	104,346
Total number of coupon and registered bonds canceled.....	303,903

AMOUNT ISSUED.

Direct issue (coupon).....	\$108,350
Direct issue (registered).....	121,504,900
Registered bonds issued in exchange for coupon bonds.....	26,773,900
Registered bonds issued upon transfers, including Spanish indemnity.....	330,440,900
Total	478,827,150

AMOUNT CANCELED.

Actual redemptions (coupon).....	\$26,601,450
Actual redemptions (registered).....	144,833,850
Coupon bonds converted into registered.....	26,773,900
Coupon and registered bonds converted into 3½ per cents.....	121,377,300
Registered bonds transferred.....	330,440,900
Total	650,027,400

A synopsis of the vault account shows that the amount of bonds on hand July 1, 1881, including those held by Treasury agent abroad, was:

Registered bonds.....	\$1,275,164,550
Coupon bonds.....	46,357,600
District of Columbia bonds.....	3,530,400
Received during the year:	
From Secretary of Treasury.....	332,285,000
From Commissioners District of Columbia.....	1,677,500
Total	1,658,995,050

Accounted for as follows:

Registered bonds issued, exclusive of Spanish indemnity.....	476,649,800
Coupon bonds issued.....	70,200
District of Columbia bonds, coupon and registered.....	2,100,150
Delivered to destruction committee:	
Registered bonds.....	210,502,800
Coupon bonds.....	14,805,000
On hand June 30, 1882:	
Registered bonds.....	920,296,950
Coupon bonds.....	31,462,400
District of Columbia bonds.....	3,107,750
Total	1,658,995,050

Redemption and exchanges of coupon bonds delivered to note and coupon division	26,665,650
--	------------

STATEMENT showing the NUMBER and AMOUNT of COUPON and REGISTERED BONDS ISSUED during the fiscal year ended June 30, 1882.

Loans.		Bonds issued.				
		Direct issue, amount.	Exchanges, amount.	Transfers, amount.	Total bonds issued.	Total amount issued.
4 per cent. consols, 1907	{ C.	\$70,200			457	\$70,200
	{ R.	156,700	\$19,712,450	\$88,076,750	31,872	107,945,900
4½ per cent. funded, 1891	{ C.		6,573,450	26,299,950	10,640	32,878,400
	{ R.			4,620,000	957	4,620,000
Pacific Railroads	R.					
July and August, 1861, continued at 3½ per cent	R.	1,957,850		30,035,700	9,656	31,993,550
March 3, 1863, continued at 3½ per cent	R.	810,700		16,458,650	4,898	17,269,350
5 per cent. funded, continued at 3½ per cent	R.	118,578,750		163,368,850	44,931	281,947,600
5 per cent. funded, District of Columbia	R.		27,000	49,000	76	76,000
3.65 funded, District of Columbia	{ C.	38,150			160	38,150
	{ R.		461,000	1,525,000	698	1,986,000
Spanish indemnity	R.			7,000	1	7,000
Totals		121,612,350	26,773,900	330,440,900	104,346	478,827,150

STATEMENT showing the NUMBER and AMOUNT of COUPON and REGISTERED BONDS CANCELED during the fiscal year ended June 30, 1882.

Loans.		Bonds canceled.				
		Redemptions, amount.	Exchanges, amount.	Transfers, amount.	Total number of bonds.	Total amount canceled.
4 per cent. consols, 1907	{ C.		\$19,712,450		46,308	\$19,712,450
	{ R.			\$88,076,750	36,182	88,076,750
4½ per cent. funded, 1891	{ C.		6,573,450		7,288	6,573,450
	{ R.			26,299,950	8,548	26,299,950
Pacific Railroads	R.			4,620,000	988	4,620,000
July and August, 1861, continued at 3½ per cent	R.	\$93,356,750		30,035,700	28,982	123,392,450
March 3, 1863, continued at 3½ per cent	R.	2,637,850		16,458,650	5,220	19,096,500
5 per cent. funded, continued at 3½ per cent	R.	1,000		163,368,850	24,737	163,369,850
5 per cent. funded, District of Columbia	{ C.		27,000		27	27,000
	{ R.	2,000		49,000	51	51,000
3.65 funded, District of Columbia	{ C.	13,200	461,000		1,294	474,200
	{ R.	70,060		1,525,000	593	1,595,000
Spanish indemnity	R.			7,000	1	7,000
1861—February 8, 6 per cent	{ C.	376,000			376	376,000
	{ R.	7,041,000			2,682	7,041,000
1861—July and August, 6 per cent	{ C.	6,212,100	*681,600		12,143	6,893,700
	{ R.	7,545,000	*1,276,250		5,334	8,821,250
1863—March 3, 6 per cent	{ C.	2,087,450	*209,900		3,640	2,297,350
	{ R.	3,615,300	*600,800		2,132	4,216,100
1881—Funded, 5 per cent	{ C.	16,790,650	*53,787,050		95,014	70,577,700
	{ R.	23,714,000	*64,821,700		18,603	94,520,700
1862—February 25	R.	3,800			19	3,800
1864—June 30	C.	50			1	50
1864—10-40s	C.	6,200			8	6,200
	C.	130,500			432	130,500
1864—10-40s	R.	557,400			157	557,400
1865—March 3, May and November	C.	200			3	200
	R.	500			5	500
1865—March 3, consols	C.	71,600			178	71,600
	R.	17,250			13	17,250
1867—March 3, consols	C.	277,960			946	277,960
	R.	216,750			87	216,750
1868—March 3, consols	C.	122,700			304	122,700
	R.	59,000			25	59,000
Oregon war debt	C.	559,050			1,672	559,050
Total		171,435,300	148,151,200	330,440,900	303,903	650,027,400

*Converted into 3½ per cents.

NOTE AND COUPON DIVISION.

*TREASURY NOTES, INTEREST CHECKS, and CERTIFICATES, COUNTED,
ARRANGED, REGISTERED, and EXAMINED.*

ONE and TWO YEARS' 5 PER CENT. TREASURY NOTES.

Authorizing act.	Number of notes.	Amount.
March 3, 1863	110	\$3,590

GOLD CERTIFICATES.

Authorizing act.	Number of certificates.	Amount.
March 3, 1863	1,027	\$1,004,880

THREE YEARS' 6 PER CENT. COMPOUND-INTEREST NOTES.

Authorizing acts.	Number of notes.	Amount.
March 3, 1863, and June 30, 1864	499	\$11,720

THREE YEARS' 7½ PER CENT. TREASURY NOTES.

Authorizing acts.	Number of notes.	Amount.
July 17, 1861	3	\$700
June 30, 1864, and March 3, 1865	43	3,400
	46	3,700

CURRENCY CERTIFICATES of DEPOSIT.

Authorizing act.	Number of certificates.	Amount.
June 8, 1872	1,500	\$12,500 00

INTEREST CHECKS.

Authorizing acts.	Number of checks.	Amount.
Funded loan of 1881 (5 per cent.)	25,741	\$14,798 17½ 42
Funded loan of 1891 (4½ per cent.)	67,322	31,498 62½ 24
Consols of 1907 (4 per cent.)	59,679	4,694 694 15
District of Columbia old funded debt	71	14,341 00
Total	153,813	51,992,621 89

REDEEMED COUPONS DETACHED from BONDS and NOTES.

Arranged numerically	3, 244, 499
Registered	3, 070, 026
Examined	2, 664, 872

REDEEMED, EXCHANGED, and TRANSFERRED UNITED STATES BONDS, with COUPONS attached, EXAMINED, REGISTERED, and SCHEDULED.

Loan.	Number of bonds.	Amount of bonds.	Number of coupons attached.
Consols of 1865	64, 099	\$27, 450, 500	891, 890
Consols of 1867	42, 483	21, 994, 350	679, 770
	106, 582	49, 354, 850	1, 571, 660

NOTE AND FRACTIONAL-CURRENCY DIVISION.

STATEMENT SHOWING the NUMBER of NOTES and AMOUNT of UNITED STATES NOTES, DEMAND NOTES, 4 PER CENT. REFUNDING CERTIFICATES, SILVER CERTIFICATES, and FRACTIONAL CURRENCY EXAMINED, COUNTED, CANCELED, and DESTROYED for the fiscal year ending June 30, 1882.

United States notes.	Number of notes.	Amount.
New issue	122, 004	\$1, 265, 650
Series 1869	1, 202, 199	11, 702, 501
Series 1874	249, 572	2, 152, 950
Series 1875	4, 226, 872	16, 622, 250
Series 1878	6, 725, 204	40, 006, 350
Series 1880	4, 598, 345	6, 327, 600
Demand notes	90	810
4 per cent. refunding certificates	21, 830	218, 300
Silver certificates:		
series 1878 issued at Washington	70, 704	2, 227, 800
series 1880 issued at Washington	291, 699	3, 737, 000
series 1878 issued at New York	16, 678	486, 250
series 1880 issued at New York	82, 150	965, 000
series 1878 San Francisco	4, 449	1, 795, 700
Fractional currency:		
first issue	3, 200	615
second issue	3, 900	635
third issue	20, 450	2, 262
fourth issue	42, 780	7, 739
fourth issue, second series	5, 500	2, 750
fourth issue, third series	8, 700	4, 350
fifth issue	152, 680	33, 270
	17, 849, 006	87, 559, 782

4 PER CENT. REGISTERED REFUNDING CERTIFICATES.

Amount issued	\$58, 500
Amount funded	57, 350

TONNAGE DIVISION.

The total tonnage of the country exhibits an increase of 108,198.77 tons, the enrolled tonnage having increased 150,019.53 tons, and the licensed, under 20 tons, 1,470.92 tons, while the registered tonnage has decreased 43,291.68 tons:

Below are given the totals for the last two years:

	1881.		1882.	
	Vessels.	Tons.	Vessels.	Tons.
Registered.....	2,326	1,335,586.18	2,175	1,292,294.50
Enrolled and licensed.....	21,739	2,722,148.29	22,183	2,873,638.74
Total	24,065	4,057,734.47	24,368	4,165,933.24

The comparison of the different classes of vessels is as follows:

	1881.		1882.	
	Vessels.	Tons.	Vessels.	Tons.
Sailing vessels.....	16,760	2,350,393.14	16,819	2,361,251.27
Steam vessels.....	4,869	1,294,998.25	5,191	1,355,825.65
Canal-boats.....	1,527	116,978.73	1,188	107,394.00
Barges.....	1,118	325,264.35	1,220	341,462.32
Total	24,065	4,057,734.47	24,368	4,165,933.24

It may be seen from the foregoing that the sailing tonnage has increased 10,858.13 tons, the steam tonnage 90,827.40 tons, and the barge tonnage 16,097.97 tons, while the canal-boat tonnage has decreased 9,584.73 tons.

The proportion of the sailing tonnage registered is 48 per centum, and the steam tonnage registered 12 per centum.

SHIP-BUILDING.

The following table exhibits the class, number, and tonnage of the vessels built during the last two years:

Class.	1881.		1882.	
	Vessels.	Tons.	Vessels.	Tons.
Sailing vessels.....	493	81,209.57	666	118,798.50
Steam vessels.....	444	118,070.55	502	121,842.66
Canal-boats.....	57	10,189.94	68	7,882.06
Barges.....	114	70,988.38	155	33,746.51
Total	1,108	280,458.64	1,371	282,269.73

From the foregoing it appears that the amount built during the past year was greater by 1,811.09 tons than that of the preceding year.

The tonnage built during the last two years in the several grand divisions of the country is shown below:

Division.	1881.		1882.	
	Vessels.	Tons.	Vessels.	Tons.
Atlantic and Gulf coasts.....	653	114,348.66	890	172,366.89
Pacific coast.....	58	11,417.49	75	15,776.95
Northern lakes.....	215	73,503.61	254	58,068.24
Western rivers.....	182	81,188.88	152	35,816.95
Total	1,108	280,458.64	1,371	282,269.73

The following table exhibits the iron tonnage built in the country since 1867:

Class.	1868.	1869.	1870.	1871.	1872.	1873.	1874.
Sailing vessels		1,039	679	2,067			
Steam vessels	2,801	3,545	7,602	13,412	12,766	26,548	33,097
Total	2,801	4,584	8,281	15,479	12,766	26,548	33,097

Class.	1875.	1876.	1877.	1878.	1879.	1880.	1881.	1882.
Sailing vessels						44	36	
Steam vessels	21,632	21,346	5,927	26,960	22,008	25,538	28,320	40,097
Total	21,632	21,346	5,927	26,960	22,008	25,582	28,356	40,097

- Table showing the amount of iron tonnage outstanding may be found in the Report on Commerce and Navigation.

THE FISHERIES.

The tonnage engaged in the fisheries during the last two years is as follows:

Fisheries.	1881.		1882.	
	Vessels.	Tons.	Vessels.	Tons.
Cod and mackerel	2,120	76,137.16	2,090	77,862.46
Whale	173	38,551.52	146	32,802.22

Below is shown the amount of tonnage employed in the cod and mackerel fisheries, with the per centum of each state:.

States.	Tonnage.	Per cent.
Maine	18,731.26	24
New Hampshire	1,009.36	1.3
Massachusetts	39,744.09	51.1
Rhode Island	2,090.82	2.7
Connecticut	3,991.91	5.1
New York	7,172.84	9.2
New Jersey	24.59	.03
Maryland	893.13	1.1
Virginia	1,053.53	1.4
Florida	145.31	.2
Alabama	68.21	.1
Texas	56.03	.07
California	2,881.47	3.7
	77,862.46	100

This shows an increase of about 2 per cent. during the year. The tonnage employed in the whale fisheries is given below:

Customs districts.	1881.		1882.	
	Vessels.	Tons.	Vessels.	Tons.
Boston, Mass.	5	794.87	5	794.87
Barnstable, Mass.	13	1,726.97	11	1,052.81
Edgartown, Mass.	7	1,371.19	5	891.28
New Bedford, Mass.	132	32,398.88	117	28,876.66
New London, Conn.	11	1,749.61	8	1,186.60
Total	173	38,551.52	146	32,802.22

Of the above, 88 per cent. belongs to New Bedford. Fuller tables, showing the various classes of tonnage, may be found in the appendix to this report.

DIVISION OF RECEIPTS AND EXPENDITURES.

The following statement exhibits the work of this division for the year ended June 30, 1882:

The number of warrants registered during the year for civil, diplomatic, miscellaneous, internal revenue, and public debt expenditures and repayments was	24,361
In the preceding year	25,254
Decrease	893
The number of warrants registered for receipts from customs, lands, internal revenue, direct tax, and miscellaneous sources was	13,362
In the preceding year	12,881
Increase	481
The number of warrants registered for payments and repayments in the War, Navy, and Interior (pension and Indian) Departments was	12,669
In the preceding year	15,036
Decrease	2,367
The number of drafts registered was	33,198
In the preceding year	32,179
Increase	1,019
The number of journal pages required for the entry of accounts relating to the civil, diplomatic, internal revenue, miscellaneous, and public debt receipts and expenditures was	5,878
In the preceding year	5,963
Decrease	85
The number of certificates furnished for statements of accounts was	14,309
In the preceding year	13,341
Increase	968
The number of accounts received from the First and Fifth Auditors and Commissioner of the General Land Office was	24,694
In the preceding year	23,646
Increase	448

In the appendix will be found a statement of the receipts and expenditures of the government, as required by the standing order of the House of Representatives of December 30, 1791, and section 237 of the Revised Statutes; also, statements of the money expended and the number of persons employed and the occupation and salary of each person at each custom-house, as required by section 258 of the Revised Statutes.

Very respectfully, your obedient servant,

B. K. BRUCE, *Register.*

Hon. CHARLES J. FOLGER,

Secretary of the Treasury.

* * * * *

REPORT

OF THE

SECRETARY OF WAR.

WAR DEPARTMENT,
November 14, 1882.

To the PRESIDENT:

I have the honor to submit the following annual report of the administration of this department:

EXPENDITURES, APPROPRIATIONS, AND ESTIMATES.

The expenditures of the War Department for the fiscal year ending June 30, 1882, were as follows:

Salaries, contingent expenses, and postage	\$1, 311, 072 70
Military Establishment—Army and Military Academy	27, 567, 183 44
Public works.....	13, 125, 662 94
Miscellaneous objects.....	3, 345, 400 56
Total	45, 349, 319 64

The appropriations for the fiscal year 1883 are as follows:

Salaries, contingent expenses, and postage	\$2, 231, 737 81
Military Establishment—Army and Military Academy	27, 137, 386 69
Public works.....	22, 709, 366 56
Miscellaneous objects.....	3, 583, 929 88
Total	55, 662, 420 93

The estimates for the fiscal year 1884, as revised by me, are as follows:

Salaries, contingent expenses, and postage	\$2, 386, 040 03
Military Establishment—Army and Military Academy	28, 901, 445 94
Public works, exclusive of harbors and rivers	4, 513, 602 64
Miscellaneous objects.....	3, 096, 531 73
Total	38, 897, 620 34

The estimates do not include any items for improving rivers and harbors, or for the work of improving the Mississippi River under the Mississippi River Commission. The estimates of amounts which may be expended during the next fiscal year on these works aggregate \$33,889,000. These estimates are prepared and are ready for submission when they may be called for.

To obviate what have heretofore been called "special" estimates for buildings at military posts, submitted to Congress from time to time, the sums required for such buildings have this year, for the first time, been included in the annual estimates. They aggregate \$1,651,859.48. A special report, prepared by the General of the Army, showing the necessity of the buildings estimated for, accompanies this report.

The increase of the estimates for salaries and contingent expenses is caused by the augmentation of the clerical force to be engaged upon pension work; fifty new clerks in the Signal Office; the general-service men now estimated for, and all the buildings rented for the War Department bureaus, estimated for as required by the act of August 5, 1882 (22 Statutes, 241), the principal item of increase over the appropriations being \$66,000 for clerks in the Signal Office.

The increase of the estimates for the Military Establishment is on account of enlargement of the retired list of the Army, the longevity pay to retired officers, and the increased cost of subsistence and quartermaster's supplies. The item pay of the Military Academy is also increased \$30,460 to provide for the cadets under the new Congressional apportionment.

Estimates for the entire support of the Signal Service are now submitted, and they include all items for amounts now paid from Army appropriations and from "line receipts" of military telegraph lines, which would then be covered into the Treasury as miscellaneous receipts.

The several items of increase are more specifically explained by notes in the Book of Estimates.

THE ARMY.

The report of the General of the Army is very interesting. He urges strongly that the limit of the enlisted strength of the Army be fixed at 30,000 men instead of 25,000 men, as now established. No increase in the number of officers would be caused, and we would have at each of our numerous posts a force not only larger but more efficient. Our soldiers are overworked, and the companies are too small for discipline or real economy. I again concur in his recommendation.

The only Indian troubles during the past year occurred in Arizona and the southwestern border of New Mexico, by outbreaks of the Apaches. The military force in that region has been increased, and it is believed that no further trouble of moment need be apprehended. The General is of opinion, and I agree with him, that the time is at hand at which Congress should make provision for permanent and comfortable posts at important strategic points, so that many hastily and cheaply built posts which have served their purpose as pioneer outworks may be abandoned.

The General of the Army also recommends, for good reasons, such a change in the Articles of War as will provide for the designation of some one officer at each garrison or post to try and punish soldiers guilty of

minor offenses, so as to avoid numerous and cumbrous courts-martial. The officer, while performing this duty, would resemble a police magistrate, and it is believed that the promptness with which he could act would be very beneficial to discipline.

There were last year 7,341 enlistments and re-enlistments in the Army, and more than half that number of desertions—3,721 soldiers deserted. Some remedy must be found for this trouble, for it is not only very expensive, but is very hurtful to the *morale* of the Army. The General believes that a partial remedy may be found by increasing the pay to what it was in 1865, that is, \$16 per month for a private soldier and a proportionate amount for the non-commissioned officers. When the actual cost of supplying a deserter's place is considered, such an increase would not cause an equivalent increase in aggregate public expenditures.

I invite attention to the remarks of the General on the subject of providing for such an exchange of stations by regiments that the officers and men may have an assurance that within certain periods they will be relieved from duty on the remote frontier and be brought nearer the thickly settled parts of the country.

The Artillery School at Fortress Monroe and the new School of Application for Infantry and Cavalry at Fort Leavenworth are serving a most useful purpose. Their cost is not more than garrisons of the same size, and they are, in fact, only large posts, in which every officer and soldier is, by study and practice, being better fitted for his duties.

MILITARY ACADEMY.

At the beginning of the present academic year, the necessities of the military service required such changes in the commands of military departments as to give an opportunity for abolishing the Department of West Point, and thereby restoring the Academy to its former and proper condition under the law.

The late Superintendent concurs in the opinion of the Board of Visitors, which is herewith submitted, that the state of discipline is all that could be required—not too severe, and yet exacting a prompt and military habit and attention to duty. He also joins in the recommendation of the Board of Visitors that a new public chapel be erected, which is much needed for religious services and for the graduating exercises, which are now held in open air for the want of a hall of sufficient capacity, and it is thought that \$50,000 would accomplish this desirable work.

ADJUTANT-GENERAL'S DEPARTMENT.

The Adjutant-General reports an increasing interest in the militia in many States. Whenever requested, the department sends officers of the Army to State encampments to inspect them and to render such assistance as may properly be given. The State military authorities are furnished with a sufficient number of copies of the new Army Reg-

ulations, and it is recommended that the Adjutant-General be authorized to send out also tactical works, blank forms, and such books prescribed for the Army as will be useful in perfecting volunteer military organizations.

The reports of the several officers performing the duties of professors of tactics and military science afford proof of the beneficial results to the students of a system blending military instruction with the regular studies of a collegiate course. The average number of pupils at the several military colleges and universities during the past year was 4,060, and, omitting attendance at recitations and lectures on military subjects of interest, the following figures represent the average attendance at drills: Artillery drills, 529; infantry drills, 2,504, or nearly two-thirds of the entire number of students. The aptitude of the pupils is reported very satisfactory, while steadily growing interest is manifested by the respective faculties.

The Adjutant-General renews his recommendation that the law should be so amended as to permit officers at remote posts to employ enlisted men for domestic purposes. As has already been said, in many remote places no servants can possibly be obtained, and officers must not only cook their own meals but groom their horses, or violate the law as it now stands. It would seem clear that no officer can habitually do such work and properly supervise his company and command; and it is recommended that the law be modified so that, with the consent of the soldier and the approval of the department commander, an officer may be allowed the services of an enlisted man of his immediate command, the pay proper of the soldier being withheld by the government and paid by the officer benefited.

It is also recommended that there be restored the per diem allowance to officers serving away from their stations on courts-martial and military boards. In many cases such duty is an exceedingly expensive burden to an officer.

The Adjutant-General recommends that the beneficial legislation of the last session which substituted civilian clerks for "general service enlisted men" on clerical duty in Washington be extended to include clerks required at the various military headquarters of the Army.

The calls upon the Adjutant-General for information in pension and other claims were more in number than he could answer. The large number of new clerks are rapidly becoming familiar with the work required, and less delay will occur hereafter. The work of this character done during the year is as follows:

Number of calls (from all sources):

On hand October 1, 1881.....	23, 748
Received during the year.....	176, 351
	————— 200, 099
Finished during the year.....	154, 277
	—————
Remaining on hand October 1, 1882.....	45, 822

THE SOLDIERS' HOME.

The Commissioners of the Soldiers' Home report that during the past year the strictest economy in administering its affairs has been necessarily practiced. The expenses of the Home are increasing by reason of the increase of the number of inmates, without any corresponding increase in the income. The total receipts during the last year were \$125,932.13, and the expenditures \$122,889.60. The number of persons receiving the benefits of the Home on September 30, 1881, was 588, and on September 30, 1882, 623.

GOVERNMENT HOSPITAL FOR THE INSANE.

The following is a statement of the number of persons committed to the Government Hospital for the Insane, under the orders of the Secretary of War, from October 1, 1881 to October 1, 1882:

Officers of the U. S. Army (retired).....	1
Officers of the late volunteer service (U. S. Colored troops)	1
Enlisted men of the U. S. Army	45
Late soldiers of the U. S. Army	8
Late volunteer soldiers	1
Inmates of the United States Soldiers' Home	6
Military prisoners	5
Employés of the Quartermaster's Department	1
Hospital matrons.....	1
Total	69

MILITARY PRISON.

The conduct of affairs at the Military Prison at Fort Leavenworth, Kansas, has been very satisfactory during the past year. The number of prisoners on June 30, 1881, was 447. During the year 339 prisoners were received, 326 were discharged, 6 escaped, and 1 died, leaving 453 in prison on June 30, 1882.

Work in the prison shops has progressed favorably, there having been manufactured 52,109 pairs of boots and shoes; the equivalent of 1,434 single sets of harness; 30,000 brooms; 2,236 barrack chairs; and the necessary packing boxes and crates. The prisoners have also done much work in building and repairing buildings, and in carrying on the prison farm.

The regular inspections have been made by the Board of Commissioners, at which the condition of the prison and its inmates has been carefully examined and all complaints by prisoners inquired into. The admirable manner in which this large establishment is governed compels the renewal of my recommendation of last year that the officer in charge shall be given the local rank and the pay and allowances of a colonel, as only a reasonable return for the service he renders the government.

BUREAU OF MILITARY JUSTICE.

The Judge Advocate General reports the receipt and review at his bureau of 1,854 records of trials by general courts-martial, and the furnishing to the Secretary of War of 891 reports and opinions on questions of law, &c. There have also been furnished 661 transcripts of proceedings of courts-martial for the use of the Pension Bureau and Treasury Department; and to parties tried 238 copies of courts-martial records, containing 9,156 pages, have been supplied. The number of trials of enlisted men by inferior courts received and filed in the different military departments (excepting Arizona, from which no report was received) is stated to be 8,795.

The necessity of amending the Articles of War indicated and recommended by the Judge-Advocate-General in his last annual report is considered, and the recommendation renewed.

Extracts from reports of judge-advocates and acting judge-advocates embodying recommendations in various matters pertaining to the administration of military justice are appended to the report.

QUARTERMASTER'S DEPARTMENT.

At the beginning of the last fiscal year there remained in the Treasury, as balances applicable to expenses of prior years, the sum of \$1,705,296.04; there was appropriated for the year the sum of \$11,923,385.83; the balance undrawn on June 30, 1882, was \$1,182,239.65.

The Quartermaster-General renews the recommendation that post quartermaster sergeants be enlisted as assistants to the officers detailed from the line to perform duty in the Quartermaster's Department, and also that the officers of the line serving as acting assistant quartermasters be allowed the same additional compensation—that is, \$10 per month—as is allowed line officers detailed for duty in the Subsistence Department. The duties are important, and I recommend that the discrimination be removed.

The Army has been, it is believed, promptly and comfortably clothed. Improvements in articles of wear were made from time to time, as occasion required and the department deemed essential, when the limited appropriation would permit.

Under the act of March 3, 1881, old-pattern clothing of considerable value has been transferred to the National Home for Disabled Volunteers.

There was furnished to Indian prisoners of war \$4,995.18 worth of clothing and equipage.

Under the authority of Congress, given in special cases, the Secretary of War has made loans of camp and garrison equipage, principally tents and flags, to various organizations, at an expense of \$4,753.10 for transportation, damage, and loss. The stock of hospital tents has been much used in this way.

There were purchased 1,363 cavalry and artillery horses, the average cost being 133.48; and 641 mules, at average cost of \$138.76, and 49 draught horses, at average cost of \$195.29, were purchased for the trains.

There were sold 1,943 horses and 884 mules, the horses for \$88,174.65 and the mules for \$36,343.97. The proceeds have been deposited in the Treasury, excepting the small sums received from sales to officers.

There were on hand July 1, 1881, 20,803 animals, and on June 30, 1882, 18,946. There were issued during the year 119,334 cords of wood and 39,902 tons of coal.

Forage issues were as follows: 585,578 bushels of corn; 835,513 bushels of oats; 123,685 bushels barley; 90,584 bushels bran; 52,814 tons hay; 21 tons fodder; and 2,934 tons straw.

The Quartermaster-General again calls attention to the matter of issue of fuel to officers, and earnestly recommends that it should be again made as before the passage of the act of June 8, 1878. The present system of purchase by officers is not convenient, and in many cases is a hardship.

Exhaustive tests have been made of the various domestic and other fuels, and a pamphlet has been published by authority of the Secretary of War containing the results. There have been 936 contracts filed for the various articles of supply and for other purposes. There were purchased 40 spring wagons, 2 drays, and 25 ambulance wagons. The supply of Army wagons on hand was sufficient for issue during the year. There have been 521 stoves manufactured at the Rock Island Arsenal, costing \$7,117.15. The new mode of lighting barracks and quarters has cost \$81,100, and is believed to be satisfactory to the Army generally. There were on file at the beginning of the year 12,707 miscellaneous claims and 364 accounts, and 1,242 claims and accounts were filed during the year. There remained on file July 1, 1882, 12,762 miscellaneous claims and 220 accounts, amounting to \$7,072,329.99.

The Quartermaster's Department moved 67,263 persons, 13,185 animals, and 122,283 tons of material during the year. The cost of these movements was \$2,762,052.83; of which \$584,459.42 have been paid for transportation of persons; \$1,543,980.46 for freight, &c.; and accounts amounting to \$633,612.95 were outstanding at the close of the year, a portion of which have since been paid. Full statements will be found with the report of the Quartermaster-General, showing the operations to which the appropriations for transportation for the year have been applied.

I invite special attention to the want of an appropriation to pay land-grant railroads for services rendered during the fiscal year ending June 30, 1881. The act making appropriations for deficiencies, &c., approved August 5, 1882, appropriated \$125,000 for the purpose named, but omits to state the year to which it is applicable; and unfortunately a provision in the law prohibits the use of the money for payment for serv-

ices rendered during the year 1880-'81. Further action of Congress, it is believed, will be necessary to make the sum available for the purpose.

The amount due from railroads for material purchased of the department at the close of the war, remaining unsettled July 1, 1881, was.....	\$1, 106, 434 55
Interest has accrued during the year amounting to....	42, 461 96
	<hr/>
	1, 148, 896 51
Credit for services during the year amounted to	1 46
	<hr/>
Leaving due on June 30, 1882.....	1, 148, 895 05

There have been authorized 119 new buildings, at an estimated cost of \$175,950, at military posts in twenty different States and Territories. Repairs throughout the country to military buildings have cost, it is estimated, \$428,508; \$4,899 have been expended on account of buildings for school and religious purposes. Hospitals have cost the department, on account of construction and repair, \$74,940.

At the beginning of the fiscal year there were in the office of the Quartermaster-General, awaiting action, 17,791 claims presented under the act of July 4, 1864, amounting to \$9,576,997.15; and 124 claims, amounting to \$142,916.05, which had been presented to military boards and commissions prior to January 1, 1880, were called up during the year. There were 1,389 claims, amounting to \$646,037.80, transmitted to the Treasury for an allowance of \$296,346.39; 1,630 claims, amounting to \$1,302,700.82, were rejected; and 16,896 claims, amounting to \$7,771,174.58, were awaiting action on June 30, 1882.

Under the provisions of the act making appropriations for the legislative, executive, and judicial expenses of the government, approved August 5, 1882, for the employment of certain clerks, agents, and others in the investigation of claims, twenty-five agents have been appointed by the Secretary of War and sent out by the Quartermaster-General's Office to investigate the claims, and a corps of clerks are employed in that office preparing the claims for final action.

The Quartermaster-General estimates that, with the present force of agents, the work of investigation of all the claims arising under the act of July 4, 1864, for quartermaster's stores can be closed during the two years succeeding the current fiscal year.

During the year the post cemetery at Saint Augustine, Fla., was declared a national military cemetery, making 81 such cemeteries now under the care of the Quartermaster's Department, containing the graves of 320,763 persons. The work of placing head-stones at the soldiers' graves in private, village, and city cemeteries, under the existing contracts, is nearly completed, but there are many graves in such cemeteries not provided for, and new contracts will have to be entered into.

An abundant supply of water has been brought into the Vicksburg Cemetery, and the roadways leading to that and to the Fort Scott Cemetery have been completed. Contracts have been let for building the roads to the Mound City and the New Albany Cemeteries, authorized by Congress, but the work is not yet begun. The improvement of the road leading to the Marietta Cemetery is desirable; and attention is again called to the condition of the road between the Aqueduct Bridge and the Arlington National Cemetery, and it is recommended that the approaches to these cemeteries be improved by appropriations of Congress. The burial space in the Cypress Hill National Cemetery is now very limited, and it is important that early action be taken to secure additional ground. The purchase of additional ground for the Loudon Park Cemetery, at Baltimore, has been agreed upon, and the question of title is now before the district attorney.

SUBSISTENCE DEPARTMENT.

The report of the Commissary-General of Subsistence contains the usual statistical information connected with the administration of that branch of the public service. The high price of fresh beef has materially increased the cost of subsisting the enlisted men of the Army, the prices at which contracts for fresh beef for the fiscal year 1883 have been made being from 23 to 36 per cent. greater than the prices of the two preceding fiscal years.

The special appropriations in February, March, and April, 1882, for the relief of persons rendered destitute by the overflow of the Mississippi River and its tributaries were, under the direction of the Secretary of War, disbursed by the Subsistence Department in the purchase of food for the sufferers. Within three days after the first appropriation was made by Congress, a boat-load of provisions was on its way from Saint Louis, Mo., to the scene of destitution, and further relief was afforded from time to time with promptness, as the localities of suffering became known. The total number of rations furnished was 3,251,000, at a cost of \$349,958.88. Of these supplies nearly two-thirds were distributed in Louisiana, about one-third in Mississippi and Arkansas, and the remainder (182,000 rations) in Missouri, Illinois, Kentucky, and Tennessee. It may be added here that, under the authority of other special acts, tents were furnished at an expense of \$9,630.41, and steamers owned by the War Department were used in transporting supplies at an expense of \$10,457.28, making the total cost of relief \$369,355.37.

The first issue of supplies was made on February 27, and the last on May 29, and it is believed that for a time more than 100,000 persons had no other available means of subsistence. It is gratifying to state that although the work of supplying the wants of the destitute was done under the most difficult circumstances, and extended from Cairo to New Orleans (a distance of more than 500 miles), and waste was carefully guarded against by the continuous inspections and telegraphic

reports of a number of officers of the Army detailed to travel for that purpose alone, yet the ascertainment of need and promptness of supply by the Subsistence Department and the thoroughness of distribution in detail, under the direction of State officers, were such that not a single complaint of any character came to the department.

MEDICAL DEPARTMENT.

The number of deaths of soldiers was 161 from disease and 89 from wounds, accidents, and injuries; being 10 per 1,000 of mean strength, the fatal results in cases treated being as 1 to 161.

The total number of official demands upon the Surgeon-General during the fiscal year for information as to cause of death in the case of deceased soldiers and the hospital record of invalids was 61,630, being 6,590 in excess of similar applications during the previous year; 21,408 applications remained unanswered July 1, 1881, making in all 83,038 to be disposed of during the year. Search was made and replies furnished to the proper authorities in 61,079 cases, leaving 21,959 cases unanswered. As this is an excess of only 551 cases over the number remaining on hand at the date of last report, it will be seen that although the Surgeon-General has not been able to make any permanent decrease in the number accumulated during previous years, he has been able to dispose of an increase of 20,000 cases over that of the last fiscal year, and has very nearly kept pace with the increased requirements of the Pension Office.

Since the addition to the clerical force engaged upon pension work in this office provided by the act of March 3, 1881, and mentioned in the last report of the Surgeon-General, there has been not only a considerable increase in the aggregate number of reports furnished to the Commissioner of Pensions, but it is gratifying to be enabled to report an increase in the number of cases that have been disposed of by the mean number of clerks exclusively employed upon the technical work of searching the hospital records. This increase has risen fully 33 per cent. over and above the average number of cases searched each day by the same force during the previous year; and considering the fact that the men employed exhibit every degree of aptitude in learning this peculiar and difficult work, the figures will serve to illustrate that with a new force only a gradual acquisition of skill is to be anticipated, and that a proper degree of accuracy and celerity is attained only by great familiarity with these hospital records, supplemented by a special and often protracted course of training.

A progressive increase is observed in the difficulty of search for record of the hospital treatment of soldiers who served in the late war. As time elapses claimants appear to be more than ever unable to furnish definite information concerning the date and place of their treatment; yet this difficulty does not arise from defective memory alone. Failure on the part of those preparing declarations for pensions in

pressing inquiries upon these important points is the cause of much of the delay hitherto charged to the Surgeon-General's Office.

Increasing demand for replies to the Commissioner of Pensions has heretofore prevented the detail of any sufficient number of clerks upon the very important work of copying the large number of worn and mutilated records now on hand, and rapidly accumulating in the Surgeon-General's Office. With the prospective addition to the clerical force, it is intended that this work shall at once be taken up, and the preservation of evidence contained in these important volumes be made secure by their duplication so far as may be practicable and consistent with the object for which the increase of force is provided, viz, the final adjudication of all pension claims within a limited number of years.

The subject of a complete alphabetical index of all names borne on the records of this office has been under consideration for several years, but after mature deliberation it is concluded that the task is impossible of accomplishment without an entire suspension of all ordinary business.

On the registers-in-chief of hospitals there have been enumerated 7,413,847 names of sick, wounded, and deceased soldiers; and when it is considered that these are contained in less than one-fourth of the number of volumes known to be on file, the magnitude of the work projected will be more justly appreciated. Of the names above referred to 1,172,122 are now arranged in alphabetical order; 1,287,504 are indexed; 146,920 are partially indexed; 534,507 names are arranged in the order of States or regiments; and 79,559 in order of companies; making a grand total of 3,220,612 names that may be said to be filed in convenient shape for every-day reference.

Classified returns of wounds and injuries, together with lists of wounded, are reported as having been received of 10 engagements with hostile Indians, in which 28 soldiers were killed and 22 wounded.

The money value of medical and hospital supplies issued during the year was \$181,333.80. Owing to the exhaustion of the supplies of a durable nature left on hand at the close of the war of the rebellion, an increased appropriation will be necessary for the Medical Department during the fiscal year ending June 30, 1884, and estimates will be submitted accordingly.

Attention is invited to the law governing the issue of trusses, in the carrying out of which some cases of hardship are found. Persons who held commissions as officers and all persons who were disabled previous to the war for the suppression of the rebellion are absolutely, and those disabled subsequently to this war are practically, excluded from the benefits of these laws, although these persons are pensioned on account of hernia.

It is desirable that the issue of trusses shall correspond to the issue of artificial limbs, as was probably the intention of Congress; that is,

that a truss shall be furnished to every one who is ruptured in the line of his duty while serving in the Army or Navy.

The library of the Surgeon-General's Office is devoted entirely to medicine and its branches, no purchases being made of books belonging to general or miscellaneous literature. The works in it are not duplicated in any other library in Washington, excepting only those copyright American medical books of which specimens are deposited with the Library of Congress. Many of these are also presented to this library, so that this small duplication causes very little expense. No advantage would accrue from merging this library with any other: its size and importance, and the demands made upon it, being such as to require the services of a specially skilled medical officer to make it as useful as it should be, and to preserve for it the interest of the medical profession of the country, to which much of its completeness is due. This library now contains about 57,000 volumes and 63,700 pamphlets.

The use of the library by the medical profession throughout the country is steadily increasing, and the requests for information made upon it involve much research and extensive correspondence.

The attention of Congress is again invited to the great necessity for a fire-proof building suitable for the proper accommodation of the Army Medical Museum collection and the library, which yearly grows more imperative.

The present building is over-crowded and unsuitable for the purposes intended, while its general insecurity against accident and fire places in extreme jeopardy collections which, if destroyed, would be an irreparable loss not only to the United States but to the world.

The museum has attained a world-wide celebrity, is second to none in the number and value of specimens illustrating military surgery and the diseases of armies, while its sphere of practical usefulness to the medical profession of the country is unlimited. It is therefore hoped that Congress may be induced to appreciate its great value and importance and provide for the fire-proof building required to place the collections beyond the chance of loss or injury.

PAY DEPARTMENT.

The Paymaster-General reports that all money on hand at the end of the last fiscal year, and since received, amounting, in all, to \$15,132,245.57, is accounted for without loss.

He recommends the repeal of the provision in the act of July 24, 1876, which forbids payment of mileage over land-grant railroads. Mileage is an allowance to officers to cover necessary expenses while traveling in the performance of their duties. The actual cost of transportation forms only a part of these expenses; the others go on whether they travel over a land-grant road or not. With the measure of allowance now reduced to a minimum, it causes loss and inconvenience to officers to be

compelled to bear the other expenses incident to their traveling without reimbursement, while the small advantage accruing therefrom to the United States is inconsiderable.

It is desirable that paymasters should be notified within a reasonable period, say one year, from the time payments are actually made, of the condition of their accounts in the hands of the Auditor and Comptroller. It is not unusual for two years and over to elapse before they are notified of errors: meantime, officers who should refund may have died, resigned, or been discharged the service.

The enlisted men of the Army still continue, to a large extent, to avail themselves of the benefits of the deposit system, and it is believed that its influence tends to encourage habits of economy and check desertion. The system has been in operation for ten years, and during that time the sum of \$3,813,081.78 has been received on deposit. The repayments during the same period amount to \$2,766,613.27, leaving at the close of the fiscal year the sum of \$1,046,468.51 still on deposit. While the amount deposited last year (\$448,566.83) was less than the amount deposited during the previous year, it is noticed that the average amount of each deposit is larger and the number of deposits less.

It is good policy, I think, to encourage small deposits, and to that end I would recommend that the act of May 15, 1872, be so amended as to allow interest on the minimum deposit (\$5) from the date of deposit, provided it shall be deposited six months prior to date of discharge. The signal success which has attended the operations of the act of May 15, 1872, establishing a system of deposits for enlisted men, prompts me to recommend that the benefits of that act be extended to the commissioned officers of the Army.

ENGINEER BUREAU.

Attention is invited to that part of the report of the Chief of Engineers which refers to our sea-coast defenses. I fully concur in his view that we have too long neglected the question of providing for the safety of our harbors and maritime cities, our navy-yards, and arsenals of supply in case of foreign war. It is to be hoped that such war is far distant, but we should impress ourselves with the fact that in these days wars often come suddenly and when least expected. If armies alone could prevent the destruction of maritime cities by hostile iron-clad fleets, or if the defenses could be improvised in a few weeks or months, the question of defense might perhaps be deferred; but armies without the aid of fortifications and their accessories are powerless against such fleets, and modern sea-coast defenses require many years for their construction.

I also invite attention to that part of the report of the Chief of Engineers which speaks of the needs of our torpedo system, and the importance of providing means for connecting our torpedo lines with the

instruments used for firing them, which must be placed within our fortifications on shore. Such means exist only in a few of our harbors.

I concur also in his judgment respecting an increase of the strength of the Engineer Battalion to 520 men, the minimum number consistent with reasonable efficiency. As stated in my last annual report, the work of engineer troops is more technical than is required in any other part of the Army; and while this is so, they are regular soldiers, thoroughly instructed in infantry tactics, and are as available in an emergency as any other troops of the line for any duty that may be required of soldiers. On our torpedo service much will depend in future wars, and 520 men in training for that service, for all our coasts and all our harbors, seems but a small number, and the desire of the Chief of Engineers for an increase of 320 men above the 200 to which the battalion is limited by orders, under the reduction of the Army to 25,000 men, is a reasonable one, and should be granted. No increase of officers is necessary; simply a provision of law authorizing the recruitment of the Engineer Battalion by the number necessary to raise its strength to 520 enlisted men, this number to be in addition to the 25,000 men who now constitute the entire Army. The maximum strength of the battalion, as authorized by existing law, is 752, or 232 more than the strength recommended.

The funds with which the works for the improvement of rivers and harbors were prosecuted during the past fiscal year were derived from the appropriations of the act of March 3, 1881, and balances remaining unexpended of previous appropriations, the total amount available for expenditure on July 1, 1881, being \$16,379,020.87.

For information relating to the improvements in progress reference may be made to the report of the Chief of Engineers, which contains a detailed account of the steps taken to carry out the provisions of law and of the progress and condition of these works.

As regards the surveys of rivers and harbors called for by the act of August 2, 1882, the preliminary examinations are in progress, as required and provided for in that act, to ascertain and determine which of the localities enumerated are worthy of improvement and the work a public necessity, and such surveys as may be found to come within the provisions of the act will be at once undertaken. The reports thereon will be submitted to Congress from time to time during the ensuing session as far as received.

Preliminary arrangements are still incomplete and in progress under the direction and supervision of Mr. M. J. Adams, the inventor, for making a practical test of a flume for increasing the depth of water in the Mississippi, for which the sum of \$20,000 was provided by act of March 3, 1879, and a further sum of \$8,000 by act of August 2, 1882.

A report upon the progress made since January, 1881, by the Mississippi River Commission in carrying out the work intrusted to it was transmitted to Congress December 14, 1881. The subsequent pro-

gress of that important work will be made the subject of a special communication to Congress at an early period of the ensuing session.

The final report on the survey of the northern and northwestern lakes has been completed, and is now in the hands of the printer.

Office work has been continued in completing the maps and reports connected with the survey of the territory of the United States west of the one hundredth meridian. Seven atlas sheets have been finished.

In the different military divisions and departments eight officers of the Corps of Engineers are employed in making surveys; in collecting and compiling notes, sketches, and maps made by officers of the Army on their scouts and campaigns. In this way the maps required for the use of the War Department are perfected, and for many localities these War Department maps are the only ones that are available for the use of other Executive Departments and Congress. There is a great demand for them from citizens for use in the location of railroads, mines, and valuable lands.

The appropriation of \$50,000 to be used in continuing these surveys, and for publication of maps for the use of the War Department, is earnestly recommended.

IMPROVEMENT OF THE SOUTH PASS OF THE MISSISSIPPI RIVER.

The last annual report from this department brought the history of this work to August 13, 1881. During the three quarters from August 14, 1881, to May 13, 1882, both dates inclusive, the channel required by law was maintained without interruption. During the fourth quarter, from May 14, 1882, to September 9, 1882, both dates inclusive, there were excluded from computation twenty-seven days in which the required depth of channel was not maintained.

Four quarterly payments of \$25,000 each for maintenance, and two semi-annual payments of \$25,000 each for interest on the \$1,000,000 retained, have accordingly been made to Mr. Eads. The total expenditures of the government up to the latter date, on account of this improvement, is \$4,700,000.

ORDNANCE DEPARTMENT.

The report of the Chief of Ordnance shows that on June 30, 1882, there were on hand 53,542 small arms, as a reserve supply, being an increase of about 16,000 during the year.

The Springfield breech-loading arms still continue to give satisfaction to the Army. As a single breech-loader for troops it has no superior, and it is confidently believed that it will hold its place until it is superseded by a magazine gun.

Congress at its last session provided for the manufacture or purchase of a limited number of magazine guns, should any be recommended by the board then in session and authorized by the previous Congress. That board assembled on the 5th of July, 1881, and continued in session until September 30, 1882—a period of fifteen months—when its

report was submitted. Forty guns on thirteen different systems, some being duplicates or modifications of others, were tried by the board and subjected to certain tests. These forty guns were finally reduced to six, which were put through severe supplementary tests, and the three guns that stood all the tests most successfully and satisfactorily were recommended as "suitable for the military service." The guns, recommended in the order named, are the Lee, the Chaffee-Reece, and the Hotchkiss, and they represent the different systems of the detachable and fixed magazines.

These recommendations of the board have been approved by me, and steps will be taken to provide the guns as soon as the necessary information is obtained upon which to take action.

To increase the interest in target practice, the department has provided suitably inscribed gold and silver medals, to be awarded to the successful marksmen in the department, division, and Army contests—to become the absolute property of the winners. These medals are prepared at the Philadelphia Mint, and are very creditable in design and finish, and will, no doubt, give the greatest satisfaction to the recipients and the Army. The last medals ordered are promised in three months, the preparation of the dies being delayed by other more important work. Next year, and thereafter, the medals will be ready before the contests begin, and their delivery to the successful men may be made on the spot.

The very important question of arming our fortifications has received much attention during the past year. The Chief of Ordnance submits several reports of the Ordnance Board on tests and proofs of guns and projectiles.

The four 12-inch rifles that were contracted for under act of May 4, 1880, have not been made. The design contemplated guns of cast-iron, with wrought-iron tubes and steel breech receivers, on the Krupp system. These receivers had to be ordered from abroad, but when received and carefully tested, the metal not being up to the standard, they were rejected. Further work on the preparations for making the guns was suspended, to await the report of the Getty Board and the action of Congress on the board's recommendations.

The "act making appropriations for fortifications and other works of defense, and for the armament thereof, for the fiscal year ending June 30, 1882, and for other purposes," approved March 3, 1881, provides:

And the President is authorized to select a board, to consist of one engineer officer, two ordnance officers, and two officers of artillery, whose duty it shall be to make examinations of all inventions of heavy ordnance and improvements of heavy ordnance and projectiles that may be presented to them, including guns now being constructed or converted under direction of the Ordnance Bureau; and said board shall make detailed report to the Secretary of War, for transmission to Congress, of such examination, with recommendation as to what inventions are worthy of actual test, and the estimated cost of such test; and the sum of twenty-five thousand dollars, or so much thereof as may be necessary, is hereby appropriated for such purpose.

Under this act a board was convened, and after laborious sessions, extending through ten months, made its report May 18, 1882. The board, in its report, recommended for trial, and for construction and trial, ten guns, which are described in the report of the Chief of Ordnance. This report was transmitted to Congress May 29, 1882, but no action was taken by Congress at its last session to carry out the recommendations of the board. These recommendations are now before Congress for its action, and it is considered that the recent appointment by the Senate of a select committee "to take into consideration the subject of heavy ordnance and projectiles for the armament of the Navy and the sea-coast defenses," and who are to report "to the Senate at its next session," make it proper for the department to await the action of Congress before entering on the manufacture or conversion of heavy cannon.

With the very pressing need for sea-coast armament constantly before us, it should seem expedient to take every advantage of our own resources to help provide for our wants. It will doubtless be practicable for us to produce rifled guns of *moderate power* even from cast-iron, provided the cast-iron be suitably strengthened with steel hoops—or, better, with hoops on the exterior and a steel tube on the interior. Such guns, however, are very heavy in proportion to their power. The substitution of steel wire for the hoops would seem to be an advantageous modification, and its trial, as recommended by the board, promises important results. A similar plan is now being tried with experimental cast-iron guns, in France.

It is the opinion of the Chief of Ordnance that the material out of which *full-power* guns must be made is unquestionably steel. He says:

All the first-class powers of Europe have adopted it. Even those that have spent more millions than we have thousands in the effort to determine on the most reliable metal for gun construction are abandoning cast and wrought iron, either simple or in combination with other metals, and are now devoting their attention to steel, and to steel alone. The marvelous strides in gun construction made within a year or two in the manufacture of guns of great strength and high power, point to the conclusion that encouragement should be given in every way possible to the manufacture of steel in large masses suitable for this purpose. At present tentative efforts have developed but little to encourage the hope that steel guns for coast defense can be produced in this country. The use of wire-wound guns, if they prove as successful as recent experiments here and abroad make us hope, will greatly simplify the problem by limiting the number and size of the steel masses needed, while the wire itself can be now procured from our own manufacturers. Under the most favorable circumstances, however, the country is in no condition at this time to undertake such construction wholly out of home products, and the subject is of sufficient importance to arrest the attention and receive the careful consideration of Congress. This subject can only be successfully met either by establishing a national foundry or by assisting and encouraging private foundries to procure the necessary plant and experience.

The report, by the commanding officer of the Watertown Arsenal, of tests of iron and steel, and other materials for industrial purposes, made during the last fiscal year, has been received, and will be sub-

mitted for transmission to Congress at the opening of the next session, as provided by law.

The results given by the testing machine are for the benefit of the whole country, and the people should be permitted to utilize the results as fast as they are obtained. This can only be effected by their immediate publication, and it is recommended that this be authorized.

To more completely arm and equip the whole body of the militia, as contemplated by the act of 1808, making an annual appropriation of \$200,000, that amount should be largely increased. The bill (S. 1596) reported from the Senate Committee on Military Affairs, and now on the calendar, provides for a substantial increase to this appropriation, and contains other important provisions which it is believed would result in the greatest benefit to the militia.

Our standing Army is a small one. For the defense of the country our main dependence is on our militia. Volunteer organizations in every State and Territory should be encouraged, and every effort made to promote their efficiency in drill and discipline and make them skillful in the use of their arms. It is the best way, and the only way, to render them a sure and safe reliance on the breaking out of war before campaigning has inured them to hard service and disciplined them into old soldiers.

It is earnestly recommended that the special attention of Congress be invited to this subject, in order that the bill above quoted may receive favorable consideration at the ensuing session.

REPORT OF THE CHIEF SIGNAL OFFICER.

The Weather Bureau continues the work of which a summary was given in my last report. Additional work of a similar character has during the year been undertaken, and its field of operations is constantly being extended. Full details will be found in the report of the Chief Signal Officer.

The school of instruction for Signal Service enlisted men has been maintained at Fort Myer, near Washington, but the sending to it of officers of the Army for instruction has been discontinued, for the reason that no considerable number of officers could be spared from their military duties for the purpose; and it is thought that enough military signaling for Army uses can be taught at West Point, the Artillery School at Fortress Monroe, and the Cavalry and Infantry School at Fort Leavenworth, as an incidental study, without separating officers from their commands.

Two Arctic expeditions were sent out in the summer of 1881, under the direction of the Chief Signal Officer. These expeditions were sent to establish stations for the carrying out of the first systematic plan ever put in operation for the study of the meteorology of the extreme north.

An international geographical congress held at Hamburg in 1879, at

which delegates were present from France, Germany, Russia, Austria, and Hungary, Denmark, the Netherlands, and Norway and Sweden, adopted a plan for this work. At a subsequent congress held at St. Petersburg, in August, 1881, the details were arranged, and assurances were given that the countries interested would co-operate.

The station at Point Barrow is at the most northern point of Alaska, in latitude $71^{\circ} 27'$ N., longitude $156^{\circ} 15'$ W. The party consists of First Lieut. P. H. Ray, Eighth Infantry, one acting assistant surgeon, three enlisted men, and five civilian employés. The expedition sailed from San Francisco on July 18, 1881, and reached the station on September 8th following. The station is supplied with an abundance of stores, and everything needful for the prosecution of the work undertaken, provided the supplies shall be renewed each year.

The station at Lady Franklin Bay is the most northern one in the chain of international posts of observation. It is in latitude N. $81^{\circ} 44'$, W. $64^{\circ} 30'$. The party consists of three officers of the Army, one acting assistant surgeon and naturalist, and eighteen enlisted men, and is under the command of First Lieut. A. W. Greely, Fifth Cavalry, acting signal officer and assistant.

During the first session of the 47th Congress an act was passed (act of June 27, 1882) appropriating \$33,000 for the supply and relief of Lieutenant Greely and party. The supply expedition was promptly sent, but the vessel was prevented by ice from communicating with the party, and returned, after depositing a large quantity of stores in a manner which had been agreed upon with Lieutenant Greely, in anticipation of such a failure. A relief expedition must be sent next summer, and an appropriation therefor is urgently recommended.

About five thousand miles of military telegraph lines and six hundred and ten miles of sea-coast telegraph lines are operated by the Chief Signal Officer.

The total number of stations in operation June 30, 1882, within the territory of the United States, and maintained for the Signal Service, was 495, including those upon the telegraph lines in charge of this office and the special river, cautionary display, cotton-belt, and sunset stations, from which reports are regularly received. Reports are received from eighteen additional stations established by the authorities of the Dominion of Canada; also from one at St. John's, New Foundland, and one at York Factory, British America. Telegraphic reports have been regularly received throughout the year from one, and mail reports from two, stations located in the West Indian Islands, and during the season of tropical storms telegraphic reports were received from five stations in this region. The number of stations from which telegraphic reports are received daily is one hundred and fifty-two. Eleven full reporting stations have been established and nine discontinued during the year. Storm signals have been displayed during the year.

The Chief Signal Officer renews his recommendation of a distinct organization sufficiently large to perform the work of the Weather Bureau. In this object I concur with him; but for reasons, some of which are set forth in my report of last year, I recommend that the Weather Bureau be wholly separated from the Army and from its appropriations. As a step in this direction, and in accordance with the provisions of the act of August 7, 1882, the estimates for the next fiscal year will be submitted asking for the sum of \$1,351,159.08 to carry on the work of this bureau, which has heretofore been largely paid for out of the various appropriations for the support of the Army. It is said that for the proper conduct of the work military discipline is necessary. To this it may be replied that there is no more reason for weather observers being subject to the Articles of War than there is for the numerous and widely scattered employes of the Treasury, Post-Office, and Interior Departments, or the agents of express and telegraph companies being so subject; and in fact, out of the number of persons—960 in all—actually employed in May, 1882, in this work, 388 were civilians, and, in addition, there were in the year 1881 about 325 voluntary observers in regular correspondence with the Chief Signal Officer.

RECORDS OF THE WAR OF THE REBELLION.

Five volumes of this work have now been published; seven volumes are in the hands of the printer, nearly completed, and succeeding volumes are being prepared as rapidly as possible.

MONUMENT AT YORKTOWN.

Since my last report the title to the land for the monument directed by the act approved June 7, 1880, to be erected at Yorktown has been approved, and the land purchased and cession thereof granted by the State of Virginia, as required by the act. These proceedings have been so much delayed that, although the work of preparing to build the monument is now in active progress, nothing has since been done at the site.

BUILDING FOR STATE, WAR, AND NAVY DEPARTMENTS.

The construction of this building, for the accommodation of the State, War, and Navy Departments, was confined during the year to the north wing exclusively—one of the portions of the building to be used by the War Department. The work has been pushed along rapidly and satisfactorily, and is now in such an advanced stage that its completion—except the approaches—and occupancy by December 25, next, is anticipated.

The necessity for the early completion of the west and center wings is evident, and the estimate of \$500,000 for the fiscal year ending June 30, 1884, to be applied to the work of clearing the site, laying founda-

tions, and building the walls of the lower stories, and to prevent delay or interruption in the preparation of the granite, is recommended for favorable consideration.

RETIREMENT OF OFFICERS OF THE ARMY.

Under the act of Congress approved June 18, 1878, the retired list is limited to 400. By the act approved June 30, 1882, making appropriations for the support of the Army for the current fiscal year, it is provided, in substance, that an officer who has served in the Army 40 years shall, if he make application therefor, be placed on the retired list, and that when an officer reaches the age of 64 years he shall be placed on the retired list; and that "no act now in force shall be so construed as to limit or restrict the retirement of officers as herein provided for." In consequence of the number of retirements caused by what is called the 64-year provision, the total number of officers on the retired list is about 420, being largely in excess of the limit fixed by the act of 1878. It is the opinion of the Attorney-General that, under existing laws, so long as there are 400 officers on the retired list, from whatever cause they may have been retired, no officer can be placed on that list except one who belongs to one or the other of the classes mentioned in the act of 1882. This condition of affairs is very unfortunate for the Army; for there are now 102 officers on the active list who are incapacitated for active service; 18 of them have already been recommended for retirement by boards instituted to examine them. All, or nearly all, of the others who are named as unfitted for service would be so recommended if called before a retiring board. Their absence from duty is not only hurtful to the Army, but imposes an undue share of company work upon the officers on duty.

It is earnestly recommended that the laws be so amended as to avoid the existing difficulty.

HEAVY ARTILLERY MILITIA.

Massachusetts was the only State which took advantage of the provisions of section 2 of the act of May 19, 1882, which reads as follows:

SEC. 2. That the Secretary of War is hereby authorized, at his discretion, to issue, on the requisition of a governor of a State bordering on the sea or gulf coast, and having a permanent camping-ground for the encampment of the militia, not less than six days annually, two heavy guns and four mortars, with carriages and platforms, if such can be spared, for the proper instruction and practice of the militia in heavy artillery drill, and for this purpose a suitable battery for these cannon will be constructed; and for said construction and the transportation of said cannon, and so forth, the sum of five thousand dollars is hereby appropriated for supplying each State that may so apply.

The department complied with the requisition of the governor, made under the act, and, while no official report has been received, I am advised that the State authorities are highly satisfied with the result of their effort to train the militia and to prepare them for what might be

a most important duty, and one which they might be suddenly called upon to perform.

INTRUSION INTO THE INDIAN COUNTRY.

During the past few years the military forces have been called upon many times to expel one Payne and his followers from the Indian Territory. Twice during the present year has his settlement been broken up, and the department is liable at any time to be called upon to set on foot another expensive military expedition against him and his party. The only penalty for his offense is the fine which may be imposed under section 2148 of the Revised Statutes. As I stated in my last report he cares nothing for its imposition, as it cannot be collected. It is a very important that an amendment, providing for imprisonment, should be made. Such an amendment would prevent his vexatious raids and save a large amount of money now expended in removing him several times a year.

EDUCATION IN THE ARMY.

Chaplain Mullins, the officer in charge of education in the Army, reports that considerable progress has been made in the work of organizing and establishing post schools and reading rooms, and that a constantly growing interest in their success has been exhibited by both officers and enlisted men. The average attendance at post schools of enlisted men during the year was 1,586, and of children of officers, enlisted men, and civilians, 1,769; an increase of 674 in the first of these classes, and of 379 in the latter class. The most pressing necessity for giving effect to a successful educational system in the Army is a supply of competent teachers, the experiment of detailing enlisted men for such duty having proved unsatisfactory and embarrassing. The recommendation made by me in my last annual report that statutory authority be given for the enlistment of 150 competent instructors, with the rank and pay of commissary sergeants, is renewed. Such a measure was favorably reported upon by the House Military Committee at the last session of Congress, which it is hoped may be enacted into a law at an early day.

The libraries and post reading-rooms have been kept well supplied, and their benefits fairly appreciated. The number of volumes in all the libraries is 45,709, an increase of 1,820 during the year.

In closing this report I beg that the attention of Congress may be specially invited to the estimate for salaries of employes in the office of the Secretary. About \$6,000 increase over the appropriations for the current year is asked to make the compensation of the chief clerk, disbursing clerk, chiefs of divisions, assistant chiefs of divisions, and stenographer commensurate with the arduous duties performed by them. From personal observation I am satisfied that they deserve recognition

for their faithful services, and I earnestly recommend that the small increase asked may be appropriated. The business of the department has been constantly increasing during the last ten years, and the augmentation of the clerical force for work relating to pensions has devolved upon the chief clerk and principal clerks in this office very great labor, and it is no more than just that they should be given compensations somewhat approaching those of officers performing similar duties in the other Executive Departments.

ROBERT T. LINCOLN,
Secretary of War.

PAPERS

ACCOMPANYING

THE REPORT OF THE SECRETARY OF WAR.

REPORT OF THE GENERAL OF THE ARMY.

HEADQUARTERS ARMY OF THE UNITED STATES,
Washington, D. C., November 6, 1882.

SIR: I now have the honor to submit this my annual report for the past year.

Preliminary thereto I first invite your attention to the following inclosures:

1st. Annual report of Adjutant-General Drum, embracing the usual tables, "organization of the Army," "actual strength of the same," "distribution of the troops," "list of the existing military divisions, departments, and posts," "casualties," "assignment of recruits," &c.

2d. Annual report of Inspector-General Sacket.

3d. Report of Lieutenant-General Sheridan, commanding Military Division of the Missouri, including—

3 A.—Report of Brigadier-General Terry, Department of Dakota, with sub-report of Colonel Ruger, of the district of Montana.

3 B.—Report of Brigadier-General Crook, Department of the Platte.

3 C.—Report of Brigadier-General Pope, Department of the Missouri.

3 D.—Report of Brigadier-General Augur, Department of Texas.

4th. Report of Major-General Hancock, commanding Military Division of the Atlantic, including—

4 A.—Report of Brevet Brigadier-General Hunt, Department of the South.

5th.—Report of Major-General McDowell, commanding Military Division of the Pacific, with inclosure marked 5 A A, and including—

5 A.—Report of Major-General McDowell, Department of California.

5 B.—Report of Brigadier-General Miles, Department of the Columbia.

5 C.—Report of Brevet Brigadier-General Willcox, Department of Arizona.

6th. Report of Brigadier-General Howard, Department of West Point and the Military Academy.

7th. Report of Brevet Major-General Getty, Artillery School at Fort Monroe, Va.

8th. Report of Colonel Otis, Twentieth Infantry, School of Application at Fort Leavenworth, Kans.

These reports are full, complete, most interesting, and contain full data for a good understanding of the actual condition of the Army, and of the public events of which they treat. They are, however, so voluminous that to save you the labor of perusal at this busy moment, I will endeavor to give the material figures and facts in the most condensed form.

The first table prepared by the Adjutant-General gives the organization of the Army as prescribed by law. The second the actual strength

of the Army from returns of June 30 last, which may be assumed as approximate now:

General officers	11
Adjutant-General's Department (officers)	17
Inspector-General's Department (officers)	5
Bureau of Military Justice (officers)	8
Subsistence Department (officers)	26
Quartermaster's Department (officers)	63
Medical Department, 190 officers, 148 stewards; total	338
Pay Department (officers)	53
Corps of Engineers, 108 officers, 193 men; total	301
Ordnance Department, 60 officers, 395 men; total	455
Signal Corps, 7 officers, 480 men; total	487
Post chaplains (officers)	25

Thus there are in the general staff 573 officers and 1,216 enlisted men, of which latter body the Engineer Battalion of 193 men, at Willets Point, N. Y., is alone available for military service; the remainder, though eminently necessary, are not subject to orders as armed men.

The Army proper consists of—

Ten regiments of cavalry, 431 officers and 6,383 enlisted men; total, 6,814.

Five regiments of artillery, 280 officers and 2,493 enlisted men; total, 2,773.

Twenty-five regiments of infantry, 877 officers and 8,117 enlisted men; total, 10,767.

Indian scouts, 300.

Thus the line of the Army is composed of 1,588 officers and 17,293 enlisted men, or an aggregate of 18,881.

Other detachments are reported, which are unquestionably incident to all military establishments, but are unavailable to us for actual frontier duty, viz:

Commissary sergeants	148
Ordnance sergeants	114
West Point detachments	204
Guard at military prison	83
Recruits at depots and <i>en route</i>	1,796
Captain (unattached)	1
Total unavailable	2,346

These figures swell the grand aggregate to 2,162 officers and 23,024 enlisted men, which compose the Regular Army of to-day. The limit of 25,000 enlisted men is fixed by law, but the fear of exceeding this limit, or the difficulty of enlisting men in these prosperous times, has kept the Army below what the honor or necessity of the country demands, and I most earnestly advise that this limit be changed to 30,000, not with the expectation of reaching that limit, but to approximate it, and thereby make the Army more efficient without material increase of cost. The experience of the world is that of an organized army not more than 66 per cent. can be had for actual battle or field service, and as experience demonstrates that 25,000 soldiers are needed for the wants of the country, I ask for a number which will produce that result. At present our soldiers are overworked, the companies are too small for discipline or decent appearance, and I honestly believe that the Army has earned by actual service this amount of consideration from the country.

The Army as thus composed is distributed to nine departments, commanded by one major-general, the six brigadier-generals, and one colonel specially designated by the President, and these are grouped like

an army in the field into three divisions, commanded by the lieutenant-general and two of the three major-generals, all of whose reports are submitted herewith. These reports give in sufficient detail the military history and changes of the past year, which have been most happily uneventful and peaceful, not wholly for want of cause, but because a force was close at hand in each instance to reach and punish the disturber.

The only serious disturbance to the public peace by Indians occurred in Arizona and on the southwestern border of New Mexico in April last, as fully described by Brevet Brigadier-General Willcox in his report herewith, in consequence of which his troops were re-enforced by the Third Cavalry from the Department of the Platte and the First Infantry from Texas. Subsequently, in July, another escapade of Apaches was attempted, but these Indians were promptly pursued, punished, and driven back to their reservation, since which time there has been no repetition.

On the 1st of September the Department of West Point was discontinued by order of the President, and Col. Wesley Merritt was appointed Superintendent of the Military Academy and commander of the post of West Point. Brigadier-General Howard, thereby relieved, was ordered to command the Department of the Platte, and Brigadier-General Crook was ordered to the Department of Arizona. General Crook is well known to the Apaches, and to the people of Arizona, and no further serious danger is apprehended in that quarter. There have been fewer Indian disturbances at the Great West during the past season than in any of the past twenty years, partly owing to the precautions taken by the proper officers, but in a large measure due to the unexampled development of the railroads in that region, and the consequent rapidity of settlement by farmers and grazers, who are generally prepared to defend their own property. No person, who has not been across the continent by the several routes, can possibly comprehend the changes now in progress there. Nearly two-thirds of the domain of the United States lies west of the Mississippi, and at the close of the civil war (1865) the greater part of it was occupied by wild beasts, buffalo, elk, antelope, and deer, and by wilder Indians. Now, by the indomitable courage, industry, and thrift of our people, this vast region has become reduced to a condition of comparative civilization. Three great railroads now traverse the continent, with branches innumerable, and a fourth is making rapid progress. States, Territories, cities, and towns have grown up; neat cattle have already displaced the buffalo; sheep and goats have replaced the elk, deer, and antelope; and crops of wheat, rye, barley, and oats are now grown in regions believed hitherto to be desert or inaccessible. This is the real cause of the great prosperity which now blesses our country and swells the coffers of our national Treasury. I am sure, from personal observation, that the Regular Army has done its full share in accomplishing this result, and I claim for them a share in its fruits. The troops, during this transition period, have lived in holes in the ground, in houses made of green cottowood logs infested by vermin, in temporary shanties, generally without murmur; but now this battle with poverty is over, or nearly so, and I appeal to Congress for generous treatment, for decent quarters for officers and men; to repeal the law which forbids anything but temporary shelters at our frontier posts; and to confer on the President, the Secretary of War, or on a board of general officers, the power to designate the places of *strategic* importance at which to erect suitable *permanent* buildings* for quartering properly the troops of the United States. In this connection I beg to submit a letter which I wrote you on

the 16th of October last, which I append hereto, marked 9, and ask that it be construed as my judgment of the probable future, leaving for you and others, to determine the actual points which should, in the future, be occupied by garrisons to subserve the best interests of the country.

In the enforcement of statute law, compulsory on the Army, and in maintaining discipline, without which an army would be a nuisance, according to the report of the Adjutant-General, there have been 1,797 cases of trial by court-martial among the enlisted men during the past year. It is notorious in the Army that ninety of these cases in the hundred are for simple disorders, which in civil life are punished by a magistrate *without* a jury. A court-martial is both judge and jury. The easiest correction for this condition of facts rests with Congress, and not with the Army. The law is at fault, for the men we enlist are the best we can get for the price paid. I believe the price is liberal when we consider the fact that a soldier is in any event fed, clothed, and reasonably maintained at the cost of the government, the minimum pay (\$13 a month) being in fact pocket money, and is the only hold we have on him for fines and forfeitures. I recommend that Articles of War 80, 81, and 82 be amended so as to extend the principles of the field-officer's court to every fort, garrison, or place where the troops of the United States are quartered. In nine places out of ten there are no field officers, only captains and lieutenants, yet the necessity for discipline and prompt punishment for minor "disorders" are the same. The commanding officer of such a "place" should have the power to detail some other officer, preferably the next to himself in the order of command, to act as provost judge, to hear, try, and adjudge each case as it arises, and to enter up sentence, which sentence, when approved by him, should be executed the same as in case of a garrison court-martial. A book of record should be kept, subject to the inspection of the department commander, and of any duly authorized inspector-general. This simple provision will obviate the necessity for so many trials which are now a scandal to the country. General courts-martial will, however, continue to be necessary for more serious offenses under the Articles of War, and for the trial of officers; and here I invite your attention to the report of General McDowell, who instances how we cling to old notions prohibiting courts-martial from sitting after 3 o'clock p. m., because a hundred years ago in England officers were wont to dine and get drunk at that hour. Now we dine when we can, keep sober all the time, and there is no reason why courts-martial should not sit all night if necessary to reach a verdict the same as a civil jury:

The consolidated report of casualties for the past year also exhibits a loss to the Army by *desertion* of 3,721. This, taken in connection with the number of enlistments and re-enlistments (7,341), is a most serious matter, occasions great loss of money to the government, and calls for a speedy remedy if possible. The causes of desertion, as exhibited by the record of the trials, are various, but the chief one is that most of the recruits enlist in New York or the larger cities, are transported at the cost of the United States to the West, where, by desertion at little risk of capture and punishment, they obtain the highest wages. The remedy will, I believe, be found in a more liberal treatment of the good soldier, and a more certain punishment of the deserter.

During the civil war the government paid its private soldiers \$16 a month and non-commissioned officers much higher. Now the private receives only \$13 a month and the non-commissioned officer proportionably less than before, whilst the prices of living are increased rather than diminished. The services exacted of our soldiers are more labo-

rious and nearly as dangerous now as then, and this is construed by them as partiality to the citizen volunteer over the regular. This is felt to be an act of injustice to themselves, and, coupled with the fact that desertion is gradually becoming stripped, in the public estimation, of its odious and dangerous character, we find that desertions are increasing rather than diminishing. I therefore recommend that the pay of enlisted men be restored to what it was in 1865, and that the punishment for desertion be more clearly defined by law and increased in severity. Aggravated cases during active campaigns or in the Indian country should be treated as "capital," as is done under almost every civilized government, and as is the case with ourselves in actual war. The desertion of his comrades in danger is, and ever should be, construed as the basest and most heinous crime possible to a soldier, whereas of late years, under the benign influences of our Bureau of Military Justice, it has grown to be considered as of little more concern than for a laborer to quit his employer without leave or notice. I would be perfectly willing in trials for desertion to submit the case of each deserter to a jury of his own fellow soldiers. In any event I invite your close attention to this whole subject, believing it to be of vital importance to the interests of our military establishment.

According to my observation the general character of the recruits to-day is better than it was twenty years ago, and their treatment as to food, clothing, barracks, furniture, fuel, lights, and the ordinary garrison duties is better now than then; but the same may be said of our people generally, and the soldier only compares his own condition with that of his immediate neighbors.

All the annual reports herewith concur in the conclusion that under the operation of existing general orders the men of the entire Army have improved much in precise rifle firing. This is a matter of the first importance, because one who is skilled and has confidence in his musket is worth in a fight half a dozen of "dummies." The contests this year have been spirited, well contested, and most excellent. I recently witnessed the biennial Army contest for the six prizes offered for the best six shots in the whole Army, in which every officer and enlisted man, from highest to lowest, was enabled to compete. The contest extended through three days, under the most favorable circumstances, and all the arrangements of targets, marking, and counting were as perfect as possible. The same rifle was used which is issued to every soldier in the Army, the same identical ammunition, and no variation in the sights was permitted other than such as any soldier may adopt in actual war practice. The firing was "off hand" at 200 yards, "kneeling" at 300 yards, and "lying on the ground" at 600 yards. The first prize was won by a sergeant of engineers from Willets Point, N. Y., the second by a cavalry sergeant from Oregon, the third by a cavalry sergeant from Texas, the fourth by an artillery sergeant from Fort Monroe, Va., the fifth by an artillery private from San Francisco, Cal., and the sixth and last by an artillery lieutenant from New York; thus demonstrating the absolute fairness and impartiality of the awards. We are especially indebted to you, Mr. Secretary, for providing out of the limited contingent fund of the War Department the means to purchase the medals awarded, and which will, I am sure, be treasured by the winners; but I do believe, on a fair representation, Congress will promptly provide by a special appropriation the money needed for purchasing the medals, and for the necessary inscriptions thereon.

It would be wise and would tend to the general welfare of the Army if some just rule could be adopted for a tour of service, by regiments, in

the remote and less-favored parts of our vast country. Spite of "wise counsels" and "sage advices" officers will marry, have families, and yearn for schools, churches, and refined society. These are not to be found in the remote corners where duty compels us to post our pickets. Hitherto Arizona, New Mexico, Texas, Idaho, Montana, Dakota, &c., have been almost absolutely isolated from the world, and it is natural that officers and even soldiers should feel neglected if left there, as we have been forced to do, for ten and fifteen years at a time, and the consequence has been that friends, especially members of Congress, beg to have particular officers called away from their proper stations for fancy and constructive military duty nearer home. This cause has had a most damaging influence on the Army, and if we could give any assurance, as is done in England, that a regiment sent "abroad," as it were, to Arizona, or the Rocky Mountain region, should not be kept there continuously over five years consecutively, it would much lessen this evil, and bring contentment where now there is a feeling that partiality or favor banishes a whole regiment. The artillery regiments have generally been interchanged by some such tacit rule. The cavalry must of necessity be on the frontier, where *alone* their services are appropriate and needed, and they are only changed when there is some pressing necessity.

The infantry regiments as a rule have the hardest time. Each department commander may shift his troops according to the necessities of service, but is of course limited to the area of his own command. The division commander is also necessarily empowered to move his troops from one department to another of his own division, but is usually restricted to movements demanded by actual danger, and is often restrained for the want of the necessary money. So at Army headquarters, regiments, or even companies, are only ordered from one division to another when necessity demands, and regiments are only moved when the appropriation admits of it, and this is most rare now. Some changes have been made in the past year, such as bringing the Twelfth Infantry from Arizona to the Department of the East in September last, and more recently the removal of the Fifteenth from New Mexico to Dakota, both regiments having been there thirteen years. I believe, now, we can and ought to keep three infantry regiments in the Division of the Atlantic, that each should have a tour of three years' rest, and then be replaced by another regiment which has been longest on the Rio Grande frontier, or in the "Farthest West." The mere hope of such a detail would carry contentment to many a family now seemingly banished far from home and friends. The railroads in the West have greatly facilitated the movement of troops, but have not diminished the cost; quite the contrary. Formerly the infantry marched on foot, and the cavalry rode their horses long distances at little cost of money, taking months and weeks, where now the same journey is accomplished in less days and hours; but for this saving of time we have to pay in money, and all Army movements are absolutely controlled by the existing appropriations of Congress. When life is at stake no hesitation is or should be made in ordering troops to the point of danger from the nearest available garrison, regardless of the cost; but no movement of a regiment or even of a single company for relief is ever or should be made until the Secretary of War is consulted, and the state of the necessary appropriation is ascertained. Meantime the Army must be content with what they surely realize, that telegraphs and railroads are rapidly bringing to them in their hitherto banishment all the advantages of civilization, with daily mails, with schools, churches, and social advantages.

The reports of Brigadier-General Howard of the Military Academy at West Point, of Brevet Major-General Getty of the Artillery School at Fort Monroe, and of Colonel Otis of the School of Application at Fort Leavenworth, herewith inclosed, marked 6, 7, and 8, respectively, exhibit the great care and labor, which have been bestowed on military education in the Army during the year. All of these institutions are now established on a fair and most satisfactory basis, are well administered, and fulfill admirably their several purposes. The Academy at West Point is governed by special laws of Congress, only falling under my jurisdiction so far as military discipline is concerned. The others are simply military posts, governed like all others by the Army regulations, and their garrisons are subject at any moment to be sent off for duty by the department commander; yet, whilst not otherwise employed, these garrisons form the basis for practical instruction, and, apart from theoretical studies, enable the officers, non-commissioned officers, and privates in rotation to learn thoroughly all the duties of a soldier in garrison, in camp, and on the march far better than would be possible in the smaller posts, to which the bulk of the Army must of necessity be distributed. The cost of maintaining these schools is no more than if the troops were in ordinary garrison, but it would be well to ask annually of Congress for an appropriation for each of \$5,000 for the purchase of books of reference, and for surveying and philosophical apparatus, such as are used by all schools, this money to be expended and accounted for by the commanding officer, or by the quartermaster on his orders. The law and Army regulations also contemplate a school for officers' and soldiers' children, as well as for the illiterate soldiers, at each and every fixed post and garrison. But as no provision is made for teachers other than by the detail of officers or enlisted men, these schools cannot be said to be successful. Too many of our officers and enlisted men are already of necessity taken from their companies for daily or detached duty, so that I cannot recommend any further reduction of the fighting force for this or any other purpose, but if Congress is disposed to furnish teachers in excess of the present organization I am certain these schools can gradually be made universal, and they will doubtless prove auxiliary to good order and discipline, if they do not actually rescue many good men from the usual fate of ignorance and vice.

The supply departments are not subject to my orders and supervision, but I know, from reports and from personal observation at many of our military posts, that the troops are habitually well supplied in all respects.

Renewing the recommendations of my last annual report, and again inviting your attention to the reports herewith of the division and department commanders,

I have the honor to be, very respectfully, your obedient servant,

W. T. SHERMAN,

General.

Hon. ROBERT T. LINCOLN,

Secretary of War, Washington, D. C.

REPORT OF THE ADJUTANT GENERAL.

HEADQUARTERS OF THE ARMY,
ADJUTANT-GENERAL'S OFFICE,
Washington, November —, 1882.

GENERAL: Pursuant to your instructions, I have the honor to submit the annual returns of the Army:

A.—Organization of the Regular Army.

B.—Return showing actual strength of the Regular Army.

C.—Distribution of troops in the Departments of Missouri, Texas, Platte, and Dakota—Division of the Missouri.

D.—Distribution of troops in the Departments of the East and South—Division of the Atlantic.

E.—Distribution of troops in the Departments of California, the Columbia, and Arizona—Division of the Pacific.

F.—Military geographical divisions, departments, and posts, with distribution of troops, post-offices, telegraph stations, and nearest railroad stations or boat landings.

G.—Statement of casualties during the fiscal year ending June 30, 1882.

H.—Statement of the number of trials of enlisted men by general courts-martial during the fiscal year ending June 30, 1882.

I.—Statement of assignments of recruits and re-enlistments during the fiscal year ending June 30, 1882.

The number of enlisted men, now in service, who are drawing increased pay under act of Congress of August 4, 1854, is as follows:

Five years' continuous service	3,402
Ten years' continuous service	1,896
Fifteen years' continuous service	671
Twenty years' continuous service	145
Twenty-five years' continuous service	93
Thirty years' continuous service	54
Total	6,261

The number of those who will become entitled to increased pay under act of Congress of May 15, 1872, during the fiscal year ending June 30, 1884, is—

Re-enlisted pay	536
One dollar per month for third year of service	3,412
Two dollars per month for fourth year of service	3,507
Three dollars per month for fifth year of service	3,429
Total	10,884

and the number of enlisted men, now in service, whose terms will expire during the same fiscal year is, 3,549.

A comparison of the above data with that submitted last year shows that while the number of men discharged the service by sentence of court-martial is less by 110 than during the year 1880-'81, the number of re-enlistments has fallen off 544, and the number of desertions is 1,380 in excess. The fact that there are now in the ranks 2,859 men whose continuous service ranges from 10 to 35 years, while the number last year was only 2,534, shows conclusively that the falling off in the number of re-enlistments is limited to the class of men who have served only the first term of service, and is undoubtedly due to the rapid development of the mining resources of the Western country creating a demand for labor at remunerative prices second only, perhaps, to the California excitement of 1849 and subsequent years.

The question of desertion is more complex and difficult of solution. The principal causes are—

The short stay of the recruit at the depot, thus launching the man into active military life before he has become acquainted with and accustomed to its exactions and restrictions. This will be adverted to more at length in my remarks under the head of "The Recruiting Service."

The fact that by law the money value of clothing drawn by the recruit after enlistment—a large amount necessarily—is charged against him on the rolls and absorbing his pay for months, induces discontent and restlessness. Supposing a recruit to have enlisted during the third or fourth month after settlement of clothing has been made, his first pay will just suffice to pay for altering his clothes and purchase of the necessary articles for his comfort and cleanliness. Naturally, the young recruit looks forward to the pay-day following with the hope that he will be enabled to lay by a small amount, or possibly send something to his friends or relatives. Pay-day comes, and he finds himself charged for clothing overdrawn (during the short period of his service) with an amount which not only absorbs the pay then due him, but the larger part of that for two months to come; he grows discouraged, and in an ungarded moment listens, perhaps, to the evil counsels of old offenders, of whom there are, and always will be, more or less in the Army, and deserts, thinking he can do better in civil life.

To do away with this really important cause of desertion, I beg to suggest that section 1302 of the Revised Statutes, which governs in the settlement of clothing accounts, be amended so as to provide that the first complete outfit of clothing issued to a recruit be settled only at the expiration of his first year of service.

It is unfortunately true that company commanders do not always exercise the care demanded by the importance of a judicious selection of non-commissioned officers, nor realize the positive evil of intrusting them with control which properly belongs to, and should be exercised only by, the officer commanding the company.

Another fruitful cause of desertion is the amount of manual labor outside of purely military duty exacted from soldiers. While this cannot always be avoided, the imposition of non-military laborious duties should only be resorted to in extreme emergencies, as it inevitably breeds disgust and dissatisfaction.

In conclusion, I beg to recommend that every case of desertion be carefully investigated, on its occurrence, to determine the cause or causes which led to the commission of the crime, in order that prompt remedial action may be taken whenever demanded by the circumstances of the case.

The officers of the Adjutant-General's Department are properly assigned and in the discharge of their appropriate duties.

ARMY OFFICERS ABROAD.

Maj. Gen. J. M. Schofield; Lieut. Col. R. S. La Motte, Twelfth Infantry; and Capt. J. Chester, Third Artillery, who attended the autumn maneuvers of the Twelfth Corps of the French Army at Limoges, France, last fall, have submitted highly interesting reports of the results of their observations.

By existing orders, officers of the Army who have enjoyed the privilege of visiting foreign countries are required to avail themselves of all opportunities, properly within their reach, for obtaining information

of value to the military service, and to make, on their return, written reports on the subject.

For the purpose of disseminating in the Army at large the professional knowledge acquired in these exceptional cases, I have the honor to recommend the publication of such reports whenever they are found to contain useful information on scientific and military matters.

PROMOTION TO THE RANK OF FIELD OFFICERS AND RESTORATION BY CONGRESS OF OFFICERS OUT OF SERVICE.

I am so thoroughly convinced that the subjects of promotion to the rank of field officers and of restoration by Congress of officers out of the service is of vital importance to the entire Army, that I beg to again to invite your attention to the remarks on these subjects made in former reports:

Paragraph 19, Army Regulations of 1863, prescribes that "all vacancies in established regiments or corps shall be filled by promotion according to seniority except in case of disability or other incompetency." This rule, under the established usage and custom of the service, requires that a vacancy in any one regiment of either of the three arms of the service shall be filled by the promotion of the senior officer of the lower grade, and that the officer promoted be commissioned in the particular regiment suffering the loss which created the vacancy. This system of promotion, although sanctioned by long years of practice, is open to grave objections. It sometimes happens that, during the permanent absence of the colonel of a regiment, through sickness or other cause, when the command necessarily devolves on either of the other field officers of the regiment, the latter lack the elements required for the successful discharge of the duties of a regimental commander, and, in such a case, no matter how zealous and efficient the company commanders may be, the regiment necessarily suffers loss in discipline and high tone; and to remedy this evil, so far-reaching in its consequences, I beg to suggest that the best interests of the Army imperatively demand a change in the method of promotion to the rank of field officer below the grade of colonel, and this end can only be attained by promotion in the arm instead of commission in a particular regiment. In other words, on the happening of a vacancy, the officer entitled to promotion should be commissioned as "major of infantry," "lieutenant-colonel of artillery," as the case may be, instead of as at present, "major of the — regiment of infantry, &c. The effect of the proposed change will be to enable the General of the Army to assign field officers of the line to the particular regiment of the same arm in which their services may be of the greatest benefit with a view to the highest efficiency of the regiment. This, it is conceived, would obliterate an evil which at any time may, through disgust or despair, threaten the demoralization of a regiment otherwise possessed of material not only able, but willing, to sustain its hard-earned reputation.

It has become the custom for officers dismissed by sentence of court-martial and dropped from the rolls of the Army, to importune Congress for restoration to the position they have forfeited by the verdict of a court of their peers, reviewed and approved by the department commander, and confirmed by the President of the United States. The bill for restoration is referred to the Committee on Military Affairs, and by it in many cases placed in the hands of a subcommittee, before whom the claimant appears either personally or by attorney. The pressure of other duties not unfrequently prevents the subcommittee from giving the voluminous papers called for from the files of the War Department that careful and searching scrutiny such a case demands, having in view the baneful influence on the Army of the restoration to its rolls of a man unfit to hold a commission.

As a check on such claims, it is suggested that applicants for restoration be required, by statutory enactment, to present their claims to a board of officers to be appointed by the President, whenever, in his opinion, the applicant has an equitable claim to a further hearing.

VETERINARY SURGEONS.

By section 37 of the act of March 3, 1863 (section 1102, Revised Statutes), the grade of veterinary surgeon was created with assimilated rank of sergeant-major, and pay at the rate of \$75 per month. The law of July 28, 1866, section 3, added four regiments to the cavalry arm, with the same organization as provided by law for cavalry regi-

ments, but "with the addition of one veterinary surgeon to each regiment, whose compensation shall be one hundred dollars per month."

Thus, with precisely the same organization, *four* of the regiments have two veterinary surgeons, and *six* have but one, and at the lower rate of pay. If a cavalry regiment absolutely requires the services of two surgeons of that class, then all the regiments of that arm of the service should be placed on the same footing. In the contrary case, if only one suffices, then four of the ten regiments have one veterinary surgeon too many.

CERTIFICATES OF MERIT.

Section 1216, Revised Statutes, provides that when any *private soldier* shall have distinguished himself in the service, the President may grant him a certificate of merit, on the recommendation of the colonel of his regiment.

To bring non-commissioned officers, as well as privates, within the purview of the above-quoted section, it is suggested that it be amended by substituting for "private soldier" the words "enlisted man."

EDUCATION IN THE ARMY.

The importance of the question of education in the Army cannot be overestimated, whether we consider its immediate benefits in raising the standard of intelligence in the ranks, or its ulterior advantages to the country at large whenever the soldier re-enters civil life. After a term of salutary discipline and education, every man leaving the service becomes a factor of importance (under our system of government) in the civilization and well-being of the State. Fully impressed with this fact, instructions were issued early last fall looking to the enhancement of the efficiency of post schools throughout the Army, and, in addition to his other duties, the adjutant-general of each of the several military departments was charged, under the department commander, with the general supervision of post schools, and required to make, yearly, a full report of their condition and progress. I beg to submit the following synopsis of the several reports:

DEPARTMENT OF THE EAST.

Number of post schools.....	17
Average strength of garrisons	1,760
School attendance:	
Enlisted men	159
Children.....	126

The condition of school buildings and the supply of books are reported generally good. The majority of the children attend the public or private schools in the cities or towns adjacent to the several military posts in the department.

DEPARTMENT OF THE SOUTH.

The condition of the school at Saint Francis Barracks, Saint Augustine, Florida, is excellent; the enlisted man detailed as teacher is well qualified for the position; the library is supplied with a good collection of books, magazines, and papers furnished by the Quartermaster's Department; and the reading-room is well attended by the enlisted men of the command. The same remarks apply to Fort Barrancas, Fla., Newport Barracks, Ky., and Little Rock, Ark., except that at the two latter posts there are no libraries. At Jackson Barracks, La., there is no post school; the children of officers and men attend the

public or private schools in the immediate vicinity. There being no school-house or building available for the purpose, a room in a vacant set of officers' quarters is used as a library, and is well supplied with papers by the Quartermaster's Department. At Mount Vernon Barracks, Ala., a school-room has been fitted up, and school will be opened as soon as a teacher can be procured; the library is supplied with an excellent and ample collection of books (including school-books) in good condition. At Fort Brooke, Fla., a school has recently been established, and an abundant supply of literature has been received from the Quartermaster's Department.

DEPARTMENT OF THE MISSOURI.

Number of post schools.....	25
Average strength of garrisons.....	3,547
Average number of children over five years	306
School attendance:	
Enlisted men	253
Children of officers.....	50
Children of enlisted men	119
Children of civilians	48

The condition of the schools in the department is generally good. There are no school-buildings at Fort Craig, N. Mex., Fort Leavenworth, Kans., and Fort Lewis, Colo., and at these posts there are no suitable rooms for holding school sessions.

DEPARTMENT OF DAKOTA.

Number of post schools.....	22
Average strength of garrisons.....	3,761
Average number of children over five years	296
School attendance:	
Enlisted men	290
Children of officers.....	54
Children of enlisted men	158
Children of civilians	83

The condition of the school buildings and the supply of school-books are reported good; but at two posts—Fort Pembina and Cantonment Bad Lands—the supply of lights for evening schools is reported as inadequate.

Better teachers are needed at the majority of the schools, and the adjutant-general of the department urges that, for obvious reasons, neither the barrack-rooms nor the company mess-room is a suitable place for teachers. He thinks that the purchase of school-books, under the present system, from the post fund (created by the savings from the *ration*) objectionable even when practicable. The number of lights allowed for evening school are entirely inadequate. He suggests that the duration of vacation be prescribed, and, while reporting marked improvement in the schools, expects still greater efficiency during the coming year.

DEPARTMENT OF THE PLATTE.

Number of post schools.....	58
Average strength of garrisons.....	2,436
School attendance:	
Enlisted men	94
Children of officers.....	26
Children of enlisted men	108
Children of civilians.....	67

Proper school-house facilities have not been secured at many of the posts, and in many instances appointments for fitting up the rooms have been wanting.

DEPARTMENT OF TEXAS.

Number of post schools.....	9
Average strength of garrisons.....	2,354
Average number of children over five years.....	254
School attendance:	
Enlisted men.....	125
Children of officers.....	29
Children of enlisted men.....	129
Children of civilians.....	58

The condition of the school-rooms and supply of books are reported as good, excepting at Fort McIntosh and San Antonio, at neither of which posts has there been any school for want of a suitable building for the purpose.

DEPARTMENT OF CALIFORNIA.

Number of post schools.....	10
Average strength of garrisons.....	960
Number of children over five years.....	84
School attendance:	
Enlisted men.....	54
Children of officers.....	6
Children of enlisted men.....	30
Children of civilians.....	19

The condition of post schools in this department is generally reported as good. The apparently small percentage of children in attendance is due to the fact that at the following-named posts they attend either wholly or in a large majority the public schools of neighboring towns—Benicia Barracks, Fort Point, San José, and the Presidio of San Francisco.

DEPARTMENT OF THE COLUMBIA.

The condition of the schools is reported as indifferent, and the progress very slight, if any. The reasons assigned as to the causes of the unfavorable report are small garrisons, incompetent teachers, and unsuitable school-rooms; disinclination of grown men to attend, intensified by the amount of manual labor required of them outside of strictly military duties. While Vancouver Barracks possesses a model school-house, and fair ones are at Fort Colville and Boise Barracks, at all the other posts in the department new school-houses are an absolute necessity.

On a careful review of the whole field, I am satisfied the present system needs revision. Its tendency is to create a bureau of military education, and this is highly objectionable. While chaplains manifest laudable zeal in this work, I seriously doubt whether their labors can ever be productive of the greatest good. Their sphere is spiritual, and while their religious and secular knowledge and high moral tone is freely admitted, it is also a fact that should not be overlooked that the possession of knowledge does not necessarily carry the gift of imparting it. Their denominational character is also a serious obstacle to securing the hearty co-operation of men of all creeds or of no creed at all. The successful teacher of soldiers must himself be a military man, intimately acquainted with their wants and aspirations, the exacting and requirements of army life, and, in other words, must not only be with them but of them. To compel the respect and attention of their pupils teachers should have adequate rank and compensation, and not be required to share the common mess-rooms and barracks, nor should their position be affected by changes in the garrison. The instruction of enlisted men should be made a military duty, therefore compulsory, and the school hours should be during the day. Alphabetical schools can in no sense be called military schools. To preserve to the latter

their individual character, I strongly recommend that for white regiments an educational test be applied to men offering themselves for service in the Army. No man who cannot read and write should be accepted as an American soldier. While this elimination of gross ignorance is in accordance with the genius of our institutions, it is not believed it would seriously affect the recruitment of the Army.

It is highly desirable that the inspection of the schools be made part of the duties devolving on officers of the Inspector-General's Department, and that these inspections be special.

In order that full justice be done to this question, which is of vital interest to the Army, I beg further to recommend that a board of line officers of rank and intelligence be convened to revise the entire subject.

RECRUITING SERVICE.

On October 1, 1881, recruiting rendezvous were in operation at the following points:

Four in New York City; two in each of the cities of Boston, Baltimore, Chicago, Cincinnati, and St. Louis; and one, in each, at Providence (R. I.), Buffalo, Philadelphia, Indianapolis, Pittsburgh, Cleveland, Milwaukee, and Washington. During that month a rendezvous was opened at Albany, N. Y., with a branch at Troy, N. Y.; and two branches from the rendezvous at N. Y. City were established at Brooklyn, and two at Jersey City.

In November, 1881, a rendezvous was opened at Springfield, Ill.; in December, one at Detroit, Mich.; and in February, 1882, a second rendezvous was opened at Philadelphia.

In August, 1882, one of the rendezvous at Boston was discontinued, and established at Davenport, Iowa.

Recruiting has also been carried on in all the departments embraced in the Military Divisions of the Missouri and the Pacific, by officers stationed at military posts, under the supervision of assistant adjutant-generals at the headquarters of the several departments. This system involves no expense to the recruiting fund, and thus far it has worked satisfactorily, many good men having been secured who would otherwise have been probably lost to the service.

For the two colored regiments of infantry, recruiting has been restricted, during the year, to re-enlistments and the enlistment of men who have served with credit a previous term, and in this way these regiments have been maintained at or near their authorized strength.

Owing to the depleted condition of the appropriation for the recruiting service, it was found necessary, in the early part of 1882, to reduce expenses to the lowest possible limit; therefore, recruiting for the mounted service by officers of the general recruiting service, who had been making enlistments for the mounted service in cities where there was no cavalry rendezvous, was suspended. Recruiting was entirely stopped at the rendezvous at Providence, Springfield (Ill.), Buffalo, Pittsburgh, and Washington, and the branch rendezvous at Troy, Jersey City, and Brooklyn were discontinued. At the rendezvous which were kept open, enlistments were restricted to the best class of men.

Since the appropriation for the present fiscal year became available, recruiting has been actively resumed at all the rendezvous at which operations had been suspended, and every effort is made, consistent with the funds available for the purpose, to obtain sufficient men to fill the Army to its authorized strength.

In the cities (excepting Detroit and Milwaukee) where only one ren-

devious is in operation, the recruiting officers now make enlistments for both the general and the mounted service.

In order to carry out the provisions of the third section of the act approved June 30, 1882, making appropriations for the support of the Army for the current fiscal year, each recruit is, upon acceptance at the depot, allowed to purchase on credit from the post-trader such articles as are absolutely necessary for his cleanliness and comfort, at a cost not exceeding \$3, and he is allowed to receive a credit for laundry purposes of \$1 per month, for not exceeding four months. These credits are made upon the written order of the depot commanders.

The total number of enlistments made during the fiscal year ending June 30, 1882, were 7,734. Of these 4,907 were native-born, and 2,827 of foreign birth.

I again invite attention to the recommendation in my former reports that 1,000 men, in excess of the present authorized strength of the Army, be allowed for thorough instruction at the recruiting depots; and also to the report of the Committee on Military Affairs, recommending the passage of the bill (H. R. 3691) to provide for the instruction of enlisted men at recruiting depots, which report contained and adopted the opinion I expressed to the Secretary of War in letter of May 14, 1882, in advocacy of the bill. The bill, however, for causes extraneous to its merits, failed to become a law at the last session of Congress.

The opinion then expressed to the Secretary I still hold, and is as follows:

The measure advocated has for its objective two important points, viz, efficiency and economy.

Efficiency.—Very slight knowledge of the service and its requirements is possessed by men first entering the Army. The retention of all recruits at the several depots (David's Island, Columbus Barracks, and Jefferson Barracks), to serve there four months before being sent to regiments, would initiate them into the duties of military life; transform raw men into well-instructed soldiers; and would afford an opportunity, by the application of proper tests requiring time and observation, to positively determine their fitness for active service.

Economy.—Many men enlisting in good faith soon develop such inaptitude for service that to retain them in the ranks would prove a burden rather than a benefit. This unfitness, from whatever cause arising, would become known at the depot, and the prompt discharge of such men would save the government the expense of their transportation to the remote frontier and return, after discharge, to place of enlistment, according to contract.

The table marked K exhibits in detail the nativities and occupation of accepted recruits, and the divers causes leading to the rejection of a large number of the applicants for enlistment.

RIFLE PRACTICE.

The competition last fall for the possession of the handsome and valuable "Nevada badge"—presented to the Army by public-spirited citizens of Nevada for award to the company or battery excelling in target-firing—resulted in a victory for Battery K, Third United States Artillery, and its commander, Capt. Lewis Smith, was summoned to this city to receive, at the hands of the General of the Army, the trophy won by the handsome score of 1,429 out of a possible 1,550 points, or 92.2 per centum.

The absence of data prevents me from exhibiting the result of the competition this year. A like reason bars reference to the contest for the Army prizes, lately held at Fort Leavenworth, Kans. A sense of justice to the enlisted portion of the participants urges me to represent that the inequality of allowances works positive hardship to the sol-

dier, and deters many of them, though qualified, from entering the list of contestants. The officer repairing to the place of trial and while there receives allowances which compensate him for extra expenses incident to a temporary stay at a post other than his proper station. The soldier, on the other hand, receives only the \$1.50 per diem commutation of rations while traveling under orders, and when it is absolutely impracticable for him to carry cooked rations. This allowance ceases, of course, during his stay at a garrisoned post. It seems to me eminently just, and I beg to recommend most earnestly, that the allowance of \$1.50 per diem be granted to all enlisted men competing for a position on the Army team, to begin on the day he leaves his post for the place of rendezvous, and continue uninterruptedly until the day on which he rejoins his proper station.

Respectfully submitted,

R. C. DRUM,
Adjutant-General.

REPORT OF THE INSPECTOR-GENERAL.

HEADQUARTERS OF THE ARMY,
INSPECTOR-GENERAL'S OFFICE,
Washington, D. C., October 10, 1882.

SIR: The following report of the operations of the Inspector-General's Department is respectfully submitted for the information of the honorable Secretary of War and the General of the Army.

There has been no change in the rank, number, or station of the officers of this department since the rendition of my last annual report.

The undersigned has been in charge of the office at these headquarters, performing the various duties pertaining thereto, besides accompanying the Lieutenant-General of the Army on a tour of inspection of the north-western portion of the Military Division of the Missouri.

Inspector-General Nelson H. Davis has been on duty as inspector-general of the Military Division of the Missouri. He has been engaged in making numerous investigations and inspections, under the orders of the Lieutenant-General commanding, and has also, under directions from the Secretary of War, made the quarterly inspections of the Leavenworth Military Prison, as required by section 1348, Revised Statutes.

Assistant Inspector-General Roger Jones has been on duty as inspector general of the Military Division of the Atlantic, and has been actively engaged in making investigations and inspections under the orders of the major-general commanding and the Secretary of War.

Assistant Inspector-General Absalom Baird has continued on duty in this office as my assistant. In addition to his regular current duties, he has examined the money accounts of various disbursing officers of the Army stationed in this city, Baltimore, Pittsburgh, and Norfolk, and has also made several investigations under orders of the Secretary of War.

Assistant Inspector-General Joseph C. Breckinridge has been on duty as Inspector-General of the Military Division of the Pacific. In addition to his regular duties at those headquarters, he has made, under the orders of the major-general commanding, a careful inspection of the posts in the Department of Arizona, and is now engaged, under orders from the division commander, in an inspection of all the posts in the Department of the Columbia.

The following-named officers have been performing the duties of acting assistant inspectors-general in the different departments since my last annual report:

In Department of the Platte, Lieut.-Col. William B. Royall, Third Cavalry.

In Department of the Missouri, Maj. John J. Coppinger, Tenth Infantry.

In Department of the East, Maj. Richard Arnold, Fifth Artillery.

In Department of Dakota, Maj. William W. Sanders, Eighth Infantry.

In Department of Arizona, Maj. Abraham K. Arnold, Sixth Cavalry.

In Department of Texas, Capt. George B. Russell, Ninth Infantry, aid-de-camp.

In Department of the Columbia, Capt. John A. Kress, Ordnance Department, until May 20, 1882, when Maj. Oliver D. Greene, assistant adjutant-general, was placed in charge of the office.

In Department of the South, Lieut. Wells Willard, Fifth Artillery, aid-de-camp, from January 16 until May 11, 1882, since which time Lieut. John M. Baldwin, Fifth Artillery, aid-de-camp, has performed the duties.

The above-named officers have been engaged in inspecting the garrisoned posts of their respective departments, examining the money accounts of disbursing officers of the Army, and, under the orders of the department commanders, performing, in general, the duties pertaining to the inspection branch of the service, all of which have been executed with commendable zeal and fidelity.

In compliance with the requirements of the act of Congress approved April 20, 1874, careful examinations have been made of the accounts of all officers of the Army who have disbursed public money during the year. The funds received and expended, with balances reported due to the United States, have been compared and verified by official statements from the Treasury and designated depositories. These inspections involved the examination of expenditures and transfer of funds to the following amounts, viz:

By regular officers of the Inspector-General's Department.....	\$21,746,992 81
By department acting assistant inspectors-general.....	27,320,946 44
By special inspectors, post commanders, &c.....	4,756,983 61
Total.....	53,824,922 86

This large aggregate is caused by the fact that much of the funds was transferred from one officer to another, and thus became several times the subject of examination.

All the reports of these inspections are herewith submitted, ready for transmittal to Congress, as required by the law above referred to.

Nearly every garrisoned military post throughout the extent of our territory has been carefully inspected during the past year, either by regular or acting inspectors, and, in addition, inspections have been made by commanding officers of their respective posts and stations, as required by paragraph 1327, Army Regulations.

These reports, with notes of the action taken by local commanders to remedy any irregularities discovered by the inspectors, have been forwarded to these headquarters through regular military channels, reaching, in course of transmittal, the remarks of all superior commanders as to their action in the premises, and have been carefully scrutinized in this office, extracts having been made and forwarded to the proper authorities of any matters requiring further attention.

A careful examination of these, and also of the annual reports of the

several division and department inspectors, enables me to present the following facts in regard to the present general condition of the military establishment:

The health of the troops is generally good; clothing of excellent quality; arms and equipments in good condition. The business of the Subsistence Department has been well administered, supplies ample and of good quality. The same may also be said of the Quartermaster's and Medical Departments. The troops, with few exceptions, have been regularly paid.

Transportation is generally reported good, and sufficient in quantity, except in the Department of Arizona, where it is somewhat deficient. Pack trains had to be hired twice during the year, at great expense. The number of mules at present belonging to that department is 890; an additional number of 200 is asked for.

The discipline and military bearing of the troops show an improvement over former years.

A fair degree of proficiency has been attained in company drill; but there appears to be need for more practice in the skirmish drill, while the bayonet exercise has been almost altogether ignored in the infantry arm of the service, and also the saber exercise in the cavalry.

The great dispersion of the troops and the consequent small garrisons have rendered it impracticable to give sufficient instruction in battalion drill, and in some departments no battalion drill has been had. On the subject of light artillery drill I invite attention to the following remarks of Maj. Richard Arnold, acting assistant inspector-general, Department of the East:

I would repeat my recommendation of former years for the establishment of a school for light artillery instruction, to consist of at least four batteries, under a selected field officer. The expenditure of the necessary amount for this purpose I think would be of permanent benefit, while the continuing the batteries at regimental headquarters or separate posts will result in the performance of routine duty only. No material progress or excellence will ever be attained save by bringing these batteries together at one post and establishing a regular course of instruction, as is being done at Fort Monroe and Fort Leavenworth.

Military instruction has also been seriously interfered with by the almost continuous employment of the men at fatigue and mechanical labor.

The following extract from a recent inspection report of Fort Spokane, Washington Territory, shows to what an extent this labor has been carried at some posts:

During the past winter and spring the command has been almost constantly and exclusively engaged in cutting and hauling logs to the post saw-mill, and in preparing therefrom the various kinds of ordinary lumber requisite for completion of the post. * * * This labor was considered as so valuable to the public military interests that, to promote it, the post commander was authorized to suspend until further orders the ordinary drills and parades. * * * Company H (Daggett's) was not included in the review and general inspection of the post, it being relieved from all duty at the post, on detached service, and in camp on the bank of the Spokane River, about one mile and a half distant, engaged in the construction of a military bridge across the river named.

Instruction in signaling has not been general throughout the Army. In the Department of Arizona, nineteen men have been instructed in flag and heliograph signaling, the "general-service code" only being used. Stations have been established connecting Fort Bowie with camp on Gila River; other stations connecting Camp Price with Fort Bowie are in process of establishment. This will give almost instantaneous communication with department headquarters and all other points connected by telegraph.

Regular target practice has been continued, as during the few years previous, and I quote from the annual reports of the several inspectors, to show the result in their respective departments.

Department of Arizona:

Instruction in target practice has been somewhat irregular, owing to constant field service. * * * There are some men in each troop and company who attain a very high percentage in firing, but not much improvement is observed in the majority, who advance to a certain point and there remain, manifesting very little interest in this important duty; the apparent reason for this state of affairs being that the men are constantly employed as laborers in building and repairing, they being taken, for the moment, from their work to the target-ground, made to fire, and then return to work again.

Department of Dakota:

The target ranges are good, and great interest is generally taken in the target record.

Department of the East:

Small-arm practice has received unremitting attention throughout the department, and the great improvement made is manifest in the recent firings at competitions under the supervision of the officer specially detailed for that duty.

Department of the Platte:

Target practice has created a great deal of enthusiasm and rivalry among the troops of this command. I recognize fully its importance, but it should be kept within rational bounds. The excessive and constant practice at shooting is beginning to be irksome to the men, and I doubt whether their improvement in the use of the rifle is as great in the last year as the year previous. Formerly the men took great delight in this practice, but having become a task, the soldiers form any sort of excuse to be relieved of it; besides, the other duties of the post, which are equally as important and as conducive to the interests of the service, are absorbed in this *desideratum*—target practice. I am, therefore, of the opinion, which is shared in by many officers whose judgment can be relied upon, that this practice is excessive and overdone, and should be curbed.

Department of Texas:

Target practice has been earnestly carried on at some posts, but proper interest and proficiency in it are wanting at others. There has been almost no firing mounted, either with carbine or pistol.

Recommendations are made for the abandonment of many posts which, from the changes on our frontier, have become useless as military stations.

The necessity that formerly existed for many small and detached military posts having greatly diminished, a concentration of troops at fewer posts and in larger garrisons would doubtless in many ways result in greater efficiency and economy. Large commands, under an officer of rank, are naturally productive of better discipline than small ones, and have a tendency to foster more generous and unselfish feelings among officers. Where the garrison is large there is every opportunity for valuable drill and instruction; whereas, at a small garrisoned post, the larger portion of the command is absorbed in extra and daily duty, &c., it being sometimes almost impossible to retain enough men for rudimentary drills and exercise. Thus practice is lost, and there is no emulation among companies.

On this subject Inspector-General Davis remarks as follows:

The extra and daily duty required of the troops at small posts and commands interferes much with their military instruction. The reports and data that I have been able to examine show generally only about 50 per cent. to 60 per cent. of the "present and absent" present for duty. A large percentage of this difference are on extra and daily duty, employed at mechanical trades and labor in the erection and repairs of post buildings, ground improvements, &c., which materially reduces the strength of the commands for military service.

Much of this constant labor of the troops is necessitated by the large number of small posts, and by their shifting, non-permanent character.

The necessity formerly existing for many of the small posts and camps has, in my opinion, ceased, and the concentration of troops into larger commands at important military centers, where the requisite buildings are, or should be, erected, will conduce to the general welfare of the Army, raise to a higher standard its discipline and efficiency, be more economical to the general government, abate desertions, which are frequent, and facilitate the movement of troops, either in operations against Indian hostilities or in suppressing riots and protecting life and property in the large centers of population, for which latter purpose there seems to be a growing impression with the intelligent and business portion of the people that the Army must be relied upon, and that its strength should be increased.

The appropriation for construction and repair of barracks and quarters has been properly expended, and, considering the large number of posts to which this amount has been distributed, the public buildings are in fair condition.

On the subject of desertions, Inspector-General Davis says:

The cause of the numerous desertions that have taken place and are occurring weekly, and the reason for the idea among the enlisted men, to some extent, that the act of desertion is not a criminal offense, but only a breach of trust, should, it seems, be inquired into and ascertained, if possible, that this evil to and stain upon the Army may be eradicated.

Maj. A. K. Arnold renews his recommendation of last year, that the reward for apprehension of deserters be increased to \$100.

The subject of post schools has received much attention and considerable outlay of money has been made. The result attained is well set forth in the following extract from General Davis's annual report:

Schools for enlisted men have proved only a partial success. Want of suitable teachers and school-room accommodation are reasons sometimes given for this. The disinclination of men to confine themselves to study after their daily work or military duty is probably one of the principal reasons for non-attendance and partial failure. The colored troops, it is reported, manifest little interest in the schools.

To create, on the part of the enlisted men, greater interest in the schools, and secure their attendance, it seems that some additional inducement might be offered, viz, that non-commissioned officers should be appointed from the best educated and most intelligent men, other things being equal, and that their pay should be considerably increased, so that their position would be raised to a higher standard and be more highly prized. The same rule might be applied for clerical positions, viz, that men well qualified as clerks should be appointed as such at division, department, and post headquarters, for post quartermasters and commissaries, and as company clerks, receiving a grade, but increased pay. Should some experiment of this kind succeed, it would benefit the military service generally.

At permanent posts, lamps and mineral oil have taken the place of candles for lighting public quarters. The introduction of this mode of illumination is a great improvement on the old style, and is duly appreciated by the soldiers.

It is impossible at present to determine how much oil is absolutely necessary for the wants of the posts, but steps have been taken to ascertain. It appears to me that mineral oil should be issued to troops as is fuel, as public property for their use, and that any oil not actually consumed in each month should be deducted from the requisition for the next month, amounting to the same thing, as in the case of surplus fuel, "the amount not actually consumed must be returned to the quartermaster." Complaint has been made that the tin cans in which the oil is shipped are too fragile, a great amount being lost by leakage; also, that the chimneys furnished are of poor quality and easily broken.

The following, from the annual report of Assistant Inspector-General Roger Jones, showing the detrimental action of an existing regulation (528, Army Regulations), I deem worthy of consideration:

In one of my reports I took occasion to remark on the effect of the regulation which deprives the enlisted man of all the gain or saving of the flour portion of his ration.

Under existing regulations, all flour in excess of what is necessary to give the soldier 18 ounces of bread goes to the post fund, and company officers are consequently compelled to purchase such flour as may be needed in preparing food for their men. Thus what is provided and intended for the maintenance of the soldier is diverted to other purposes, and has to be purchased with funds arising from sale of savings of other portions of the ration.

In the interest of the soldier, it is respectfully suggested that a modification of the regulation governing this matter should be made to the extent of allowing the issue to companies of a portion of the savings of flour—say, two ounces per day per ration.

The national cemeteries, which have been inspected as required by General Orders No. 17, Adjutant-General's Office, of 1882, are reported to be in fine condition.

The post cemeteries are not in good condition, and I invite special attention to the following extract from the annual report of Maj. Richard Arnold:

The post cemeteries seem to call for more attention. Those sacred places are almost forgotten in some instances, and very little, if anything, is done to beautify or keep them in proper condition. I would suggest that some such interest as is manifested for national cemeteries be shown for post cemeteries; that marble stones be substituted for wooden head-boards; that neat and appropriate fences be constructed; and that some appropriation be made for beautifying and keeping the grounds in order.

In my annual report for last year I called attention to the fact that General Orders No. 24, Adjutant-General's Office, February 22, 1881, in regard to the sale of intoxicating liquor at military posts, was not having the desired effect of promoting or inducing temperance in the Army, and I again invite attention to the views of some inspecting officers on this subject.

Lieut. Col. W. B. Royall, Department of the Platte, says:

As regards the sale of spirituous liquors at military posts and on military reservations, I would respectfully call attention to my remarks upon this subject contained in my last annual report. I am still of the opinion that a modification of the orders, allowing a restricted sale of liquors, would be for the best interests of the service. As it is now the enlisted men go to the outskirts of the reservation, or some secret spot within the reservation, to obtain the vilest kind of liquor. Under rigid rules and penalties, to be closely observed by inspectors, the sale of intoxicating liquors by post-traders *could* be kept within decency.

Maj. A. K. Arnold, Department of Arizona, says:

Notwithstanding the order forbidding the sale of intoxicating liquors by post-traders, the men obtain it, the order being a premium for liquor vendors to pitch their camps as near reservations as possible and sell the vilest compounds. It would be better to control the evil at the posts, as these dens lead to absence, desertion, debauchery, and in several instances to drunken brawls, resulting in death by the free use of the knife and pistol. These places are also the receptacles for stolen public property.

The Indian question has long engaged the attention and study of military men, statesmen, philanthropists, and others. Diversity of opinion is not wanting, and it may be a long time before a correct solution is obtained, and the "problem," as many term it, demonstrated.

In this connection, all facts from a reliable source and the views of those who are brought into actual contact with our aboriginal population are of value, and from the annual reports of Col. N. H. Davis and Maj. A. K. Arnold I present the following interesting statements:

Colonel Davis remarks:

There have been no Indian hostilities of much note in the division (Missouri), except from the Apaches in New Mexico and Arizona. Outbreaks in other tribes have been threatened. They require constant watching and the restraining influence of a military force to preserve the peace and protect the frontier settlements.

Trouble with Indians sometimes arises from causes for which they may not be held responsible. The following, being an extract from the report of an inspection of Fort Shaw, Montana, is submitted in connection with this subject:

"Some weeks since, Mr. Young, agent for the Piegan Indians at the Blackfoot

Agency, 80 miles north of this post, addressed me a communication, representing that he had received an order from the Indian Department, directing that the amount of ration issued his tribe should be reduced; that he was fearful of the consequences, and desiring that troops should be sent to this neighborhood.

"General Ruger, to whom the matter was referred, directed me to order Captain Moale, with Company A, Third Infantry, and a mounted detachment of twelve men (encamped at 'Whoop-up Crossing,' on the Marias River) to take post within 12 miles of the agency, on Birch Creek, to which point I was subsequently ordered to send Captain Kent, with Companies F and G, Third Infantry.

"These troops are still in camp there. Whilst the Piegmans are quiet, I think there can be no possible doubt that *they are simply in a starving condition*. I have made proper representations through General Ruger, asking that a reliable inspector be sent to the agency to make a thorough investigation, accompanied by the report of Captains Kent and Moale and Lieutenant Hannay, setting forth the results of their observations. Hard, hard indeed, is the lot of this little band, whose conduct has been remarkably good, considering the very trying circumstances to which they have been subjected. If, indeed, their mute appeal for help should fail to receive proper recognition, I can only hope that the attention of kindly disposed persons throughout the States may in some way be called to their case, in order that much needed aid may reach them at an early moment.

"GEORGE GIBSON,
"Lieutenant-Colonel Third Infantry."

Maj. A. K. Arnold (Arizona) says as follows:

Since my last annual report four Indian outbreaks have occurred.

The first, known as the Cibicu affair, occurred on the 30th day of August, 1881. The second, known as the Chiricahua outbreak, occurred on the 29th of September, 1881. The history of these outbreaks is well known, and for information in regard to them I refer to the annual and supplementary reports of the department commander, for the year 1881.

The third outbreak occurred on the 19th of April, 1882, when Loco, with his band of Warm Spring Indians, left the San Carlos Reservation, being aided by the Chiricahua bands of Juh, Geronimo, and Nachize, who broke from the reservation in September, 1881, and have roamed in Mexico ever since. It appears that portions of the above bands left Mexico in small parties, coming into Arizona via New Mexico, first rendezvousing in the mountains, on the western borders of New Mexico, and when all was ready, appeared at Steven's Ranch, on Eagle Creek, Arizona, committing depredations, and from that point sending aid to Loco, on the reservation, who, with his band, consisting of about thirty warriors and a number of women and children, left, moving east, crossing the San Francisco River in the vicinity of Clifton; thence moving south in the Peloncillo Range, New Mexico, crossing the San Simon Valley to the Chiricahua Mountains, Arizona, and, recrossing it, moved in a southeasterly direction towards Janos, Mexico. Troops were promptly put in pursuit; others were brought into position to head the Indians off; the result being that they were overtaken (in the Las Animas Mountains, New Mexico, April 24, 1882) by the troops of this department (Arizona), under the command of Capt. T. C. Tupper, Sixth Cavalry, who handled them severely, killing seventeen warriors and capturing seventy-five head of stock; his own loss being very slight, one enlisted man killed and one wounded. The retreating Indians were the next day struck by the Mexican troops, and after a severe struggle, it is said, were almost annihilated. From the time the band left the reservation to the time when it was struck by the troops in the Las Animas Mountains, forty-two civilians had been murdered or maimed.

The fourth outbreak occurred in July last. On issue day, July 6, a number of the Cibicu renegades and scouts killed the chief of police, Colvig, and one of the Indian police. These Indians then started off, going in a northerly direction, being heard of first at McMillenville, where they burned several houses and wounded one man. Continuing towards Salt River, they committed depredations and ran off the horses of a company of militia from Globe, who had gone after them. From Salt River they proceeded up Cherry Creek to Pleasant Valley, and after running off some stock and killing several persons living in Pleasant Valley, continued their course northward. Troops were dispatched as soon as possible from Forts Apache, McDowell, Thomas, and Whipple Barracks, all converging on the trail leading into the Mogollon Mountains about where it crossed the East Fork of the Verde. Capt. A. R. Chaffee, Sixth Cavalry, being a day ahead of the other columns, came upon the Indians, well fortified, at a point in Dry Wash Cañon, about 8 miles north of General's Spring. He commenced an attack upon them, and was soon joined by the column from Apache, under Maj. A. W. Evans, Third Cavalry. A severe engagement, lasting until night, was fought, in which sixteen warriors were killed, seven women and children captured, with all the stock, consisting of one hundred or more head, killed or captured.

All other Indians in the department have been at peace. The Hualpais, about 700

strong, who roam 50 to 100 miles north and west of Prescott, are in a bad condition. Their hunting-grounds and water-holes have all been taken up by ranchmen, who, it is reported, in some cases, have refused them water even for drinking purposes. It may be truly said that they have no place to live or anything to subsist upon. The few seeds they gather and the reptiles they catch are not sufficient for them. They become restive during the winter, and I believe have only been kept from marauding because the War Department has fed them.

It is recommended that a reservation be set apart for them, and that it be placed under the charge of the War Department, as these Indians have the fullest confidence in the officers, who have had everything to do with them since they were whipped into submission. * * * We have now among us several tribes whose bearing towards us is peaceful, and has been for a number of years. Among them are the Yumas, on the Colorado River, and the Hualpais, north and west of us. These Indians, because they do not go on the war-path, are neglected; they are living in abject poverty, and are becoming more and more debased by contact with the whites. Something should be done to reclaim them. It is suggested that this matter be brought to the notice of the authorities who have the power to ameliorate and better the condition of the tribes.

The quarterly inspections of Leavenworth Military Prison, required by law, have been made during the year by Inspector-General Davis, and he refers thereto in his annual report as follows:

The condition of the military prison, at my different inspections thereof, has been excellent, and the system of its management, under the charge of Bvt. Col. A. P. Blunt, captain, A. Q. M., its governor, is admirable and in accordance with the law for its establishment.

At present all the boots and shoes, ambulance and mule harness, brooms, and chairs for the Army are manufactured there by the prisoners, in addition to other shop work; and a large number of the prisoners are employed outside the prison, at work in connection with the erection of new buildings at Fort Leavenworth, or on account of said post. * * * I recommend that an officer of suitable rank be appointed as assistant to Colonel Blunt. Colonel Blunt's efficient executive ability and thorough knowledge of machinery make him especially well-fitted for the responsible and important position of governor; and, in consideration of his great responsibilities, long-continued and efficient labors, resulting in the great success of this institution, I reiterate my recommendations heretofore made, and urge that, in simple justice, he should have the pay of his brevet rank of colonel, to which he has been assigned by the President of the United States.

The matter of horse medicines, I think, requires looking into. The list of these medicines has grown to be very large, and the quantity furnished to companies is far beyond the necessities of the service. The greater portion sent is not needed and is never used; so I am informed by experienced cavalry officers. A large amount of money could be saved yearly by a careful elimination from the list of those medicines rarely used and not actually needed.

In former times, when a captain of cavalry was his own veterinary surgeon, and could have a small quantity of aloes, gaulther salts, bluestone, castile soap, and mustang liniment, with a bottle of ammonia (for snake bites) on hand, he felt himself amply supplied for any emergency. At the present time there is no end to the kinds of horse medicines purchased (not really needed), and at a very considerable outlay of money. I do not see that the cavalry mounts of the present day are in any better condition than those of former times, nor do they last any greater number of years.

The General of the Army, in his last annual report, recommended an increase of seven officers for the Inspector-General's Department, the honorable Secretary of War concurring in the recommendation of the General. Bills for an increase of the department were introduced in both Houses during the last session of Congress. The department certainly should be increased, and by about the number of officers suggested by General Sherman.

I trust the General will renew this recommendation in his report for the present year. I can see no reason why there should be any objec-

tion from any source to this increase; and were the matter properly presented, I think Congress would see and appreciate the importance and usefulness of the Inspector-General's Department, and the necessity for more officers therein.

The department now consists (as the law is construed) of five officers only. Eight officers, in addition, are detailed from the line for duty therein; the services of this number being indispensable for the proper performance of the duties of the department. Could it be increased by five officers, selected from the Army solely for their known gentlemanly and soldierly qualities, the department would be made independent, self-reliant, and efficient, and would be rendered in the highest degree useful and beneficial to the military service.

The detail of the eight officers for duty in the department deprives the regiments to which they belong of their services, and on many occasions when much needed.

During the recent Indian outbreak in Arizona, two cavalry regiments were, each of them, deprived of the services of a valuable field officer. No doubt these officers regretted exceedingly being on detached service while their regiments were engaged in active field operations. But, owing to the importance of their duties to the Inspector-General's Department, they could not be relieved; and their services, when much wanted, were lost to the regiments.

It appears to me no more than reasonable and wise that the department should be composed of a sufficient number of efficient and energetic officers for the full and proper performance of its duties; and that regiments should not be deprived of their most valuable officers by details that detach them permanently from their legitimate duties with their regiments.

I wish to call attention to a class of officers of the Army who, in my judgment, should have been especially provided for in the legislation on compulsory retirement. I regard it the province of the Inspector-General, perhaps more than that of any other officer in the Army, to call attention to any matter in which he conceives an officer or a class of officers has not received just recognition for meritorious services rendered.

I refer to the officers of the Army who, during the war of the rebellion, held the commission of major-general or brigadier-general; who commanded an army, corps, division, or brigade in the field and in battle; and who, at the close of the war, received no promotion in the way of reward for their war services, and who returned to their places and duties in their respective corps or regiments, without any increase of rank over that held by them at the breaking out of the insurrection. These officers (few in number), I contend, are, by right, justly entitled to have their war services recognized in some honorable and fitting manner by their government.

A simple method to this end would be the enactment of a law giving to any one of this class of officers, on reaching the legal age for retirement, the rank and retired pay of the next higher grade to the one he holds.

I make this suggestion, hoping that the honorable Secretary of War and the General of the Army may coincide with my views, and that they may feel justified in recommending and urging upon Congress favorable legislation for the benefit of these deserving officers. What is here asked has been—in at least two instances—extended to officers through special legislation, who were in no way more deserving of this reward than the officers for whom general legislation is now suggested.

It may not be out of place for me to state here that, personally, I could be in no way affected or benefited by the enactment of a law to this end.

Another matter, could it be accomplished, would be, in time of peace, of the greatest value to the service. Now that the Army has been given compulsory retirement, it should likewise be given compulsory promotion, or promotion by seniority, to the very highest grades.

This, once brought about, would, in my opinion, result in the greatest good to the Army. It would destroy and end, in a great measure, all strife, intrigue, &c., for place and promotion. It would certainly relieve the President, Secretary of War, General of the Army, Adjutant-General, Senators, Representatives, and many others of a world of importunity, annoyance, and vexation.

During time of peace, promotion by seniority to the chief in each department, corps, and bureau of the staff, and in the line to the grade of major-general (to General and Lieutenant General should these grades be continued), would be far more equitable, would give just as efficient officers, and would give more general satisfaction to the Army than promotion by selection. Influence could not be made to outweigh ability, merit, and long, faithful, and honorable service. An officer who had given the best years of his life to his country, serving it, under all circumstances, faithfully, honestly, and with credit, and had after long years reached the rank of colonel, might stand some little chance of being retired from active service as a brigadier-general, while younger men can well afford to await their turn.

Could proper legislation be had to this end, the benefit that would accrue to the Army by the elimination of all scheming, strife, intrigue, and influence for promotion would be of inestimable value in elevating its tone, honor, and morale.

I desire to call attention to the working of the rules laid down in General Orders No. 86, of 1876, on leaves of absence.

By referring to the order it will be seen that four acts of Congress are involved, viz, those of 1863, 1864, 1874, and 1876. They are numbered and referred to in the order as 1, 2, 3, 4, respectively.

By No. 1, all officers whilst on ordinary leave forfeit half their pay and allowances; No. 2 amends No. 1 so as to give officers thirty days' leave in any one year without forfeiture of pay or allowances; No. 3 provides that all officers stationed west of Omaha and north of southern boundary of Arizona should be allowed sixty days' leave in two years, or three months in three years, or four months in four year periods; and No. 4 extends the same privilege to all officers wherever stationed, and thus, so far as privileges are concerned, as completely replaces and supercedes the previous laws 1, 2, 3 as if the latter were repealed.

It is the rule laid down in the general order for charging leaves of absence that makes the mischief, and virtually abrogates the benefits conferred by the law of 1876. The ruling is based, I understand, on the idea that all the laws are in force, and all the decisions of the Comptroller or the Treasury under each law must have effect. Although the last law supercedes the others, especially the second, so as to allow officers to accumulate their leaves so as not to exceed four months at a time (or in any given four-year period).

This is done by charging any leave an officer may take (see memorandum and examples, pages 5, 6, 7 of order), first, to the current leave year (although the leave for that year be not yet earned), until its month is exhausted; second (after the allowance for the current year is exhausted), to the next preceding year until all its credits are exhausted; third, to the next or second preceding year in like manner;

and, fourth, to the next or third preceding leave year. All credits in any year preceding the fourth (counted backward) are forfeited by limitation.

This system is complicated and oppressive, and it completely defeats the object of the law, which was to allow officers one month's leave for each year of service, with the privilege of accumulating four months. Whatever the necessity for this rule at the time, because of previous laws and leaves granted under them, the lapse of time has removed the necessity, and officers should now have the full benefit of the law.

The remedy is simple. Let all leaves of absence be charged against the months' leaves that have been longest due. The law admits of this, and it is the reasonable rule. Any leave taken should cancel the leave longest due, and an officer having leaves due him for 1880, 1881, 1882, and 1883, ought not to be compelled, whether or not, to take those of 1883, 1882, and 1881 before he could be allowed to take that of 1880, which he had a perfect right to take, four years ago.

The law intended, evidently, that an officer should be allowed, if his services could be spared, at the rate of one month in a year, with the right to accumulate. It is not just to establish a rule by which he is deprived of this allowance of time by a mode of reckoning which will force him to give up his time, or take it when he does not want it.

The law ought to be repealed altogether; it arose out of the necessities of the war; worked badly in every respect; has greatly extended the struggle to get orders, so as to save forfeiture; and we can well return to the old system by which, when their services could be spared, officers could get leaves from their commanders.

In compliance with instructions received from the War Department, I reported to Lieutenant-General Sheridan, in time to accompany him on a tour of inspection and reconnaissance through a portion of his military division.

Left Chicago, August 1, and proceeded by rail as far as Green River station on the Union Pacific Road, and by wheels to Fort Washakie, Wyo. From this military post, on the Little Wind River, took saddle-horses and pack-animals, crossed to the main Wind River, ascended this stream to its very source; then crossed over the Continental Divide (by a most excellent and easy pass, heretofore unknown) to the headwaters of the East Fork of the Gros Ventre River; down this to the Gros Ventre, and down the latter river to near its junction with Snake River, in the basin just under and east of the famous Tetons. Thence north, along the Snake and the shores of Jackson, Lewis, and Shoshone Lakes, crossing again the Continental Divide, to the headwaters of the Firehole River, and down it to the Upper and Lower Geyser Basins—the *Wonder Land*.

From here crossed the divide separating the waters of the Madison from those of the Yellowstone, visited the wonders of this last-named river, and then along its left bank to Baronett's Bridge, where it was crossed. From this point, by an easterly course up and along the East Fork of the Yellowstone and Bute Creek, to the source of this latter stream at Cook City, a town surrounded by extraordinarily rich silver and gold mines.

From this mining town passed over a high divide to the headwaters of Clark's Fork; thence across the snow-capped Beartooth Mountains, *reported impassable by old mountain guides familiar with the country, and the first time ever successfully passed over by troops*. Descended from this range of mountains, by a precipitous trail, into the valley of Clark's Fork below or east of its famous cañon, and down the wide and beauti-

ful valley of Clark's Fork to its débouchure in the Yellowstone. At this point, the Yellowstone was crossed by a good ford, and, after a march of 4 miles along its left bank, took, on August 31, the cars on the Northern Pacific Railway, and in the afternoon of September 3 reached Chicago.

For almost the entire distance from Fort Washakie to the railway bridge crossing the Yellowstone at Coulson, the scenery is grand beyond description. Grasses for pasturage, rich and nutritious; timber abundant, and of good size; and everywhere numerous fine, clear, cold, rapid streams of most excellent water (teeming with trout) are to be found. Rich placer gold mines have been discovered and are being worked in the Teton Basin, on the Gros Ventre and on the Buffalo Fork of Snake River.

The distance made by rail was 2,715 miles, on wheels 150 miles, and in the saddle 442, making the total distance traveled 3,307 miles.

I merely allude, in a concise manner, to this exceedingly interesting and enjoyable reconnaissance, knowing that, under the direction of the Lieutenant-General, Lieutenant-Colonel Gregory, aide-de-camp, will render a very complete and entertaining report to the War Department.

For reasons fully set forth by my predecessor, General R. B. Marey, and in my annual report for last year, I renew my recommendation that the Inspector-General's Department be placed on an equal footing with other staff departments as regards clerical assistance, and urge that in the next annual estimates for the Army an item of \$4,800 be inserted, for payment of three third-class clerks for service in the office of Inspector-General at headquarters of the Military Divisions of the Missouri, the Atlantic, and the Pacific.

Respectfully submitted.

D. B. SACKET,

Brigadier and Inspector General, U. S. A.

The ADJUTANT-GENERAL, UNITED STATES ARMY.

NOTE.—In the matter of the Piegan Indians, referred to in the inspection of Fort Shaw, I have been informed, since this report was prepared, that the Commissioner of Indian Affairs has ordered the contractors to deliver to the tribe 25 per centum additional beef and flour.

REPORT OF LIEUTENANT-GENERAL SHERIDAN.

HEADQUARTERS MILITARY DIVISION OF THE MISSOURI,

Chicago, Ill., October 20, 1882.

GENERAL: For the information of the General of the Army, I have the honor to submit the following report, covering operations within the limits of my command during the past year, and inclose herewith the reports of the several department commanders.

Since my last annual report, dated October 22, 1881, no change has taken place in the organization of the division, which consists of the Departments of Dakota, the Platte, the Missouri, and Texas.

The Department of Dakota is commanded by Brig. Gen. A. H. Terry, and comprises the State of Minnesota and the Territories of Dakota and Montana. It is garrisoned by twenty permanent posts, a camp at Poplar River, Montana, and a cantonment at Bad Lands, which is ordered abandoned.

The Department of the Platte comprises the States of Iowa and Nebraska, the Territories of Wyoming and Utah, and a portion of Idaho. It contains fourteen permanent posts, including the new post of Fort Thornburgh. Brig. Gen. George Crook was relieved from command of this department by Brig. Gen. O. O. Howard on September 1 last.

The Department of the Missouri is commanded by Brig. Gen. John Pope, and comprises the States of Illinois, Missouri, Kansas, and Colorado, the Indian Territory, and the Territory of New Mexico, together with the posts of Fort Elliott and Fort Bliss, Texas. The department is garrisoned by twenty permanent posts, with camps at White River and at the Uncompahgre River, in Colorado, and one at Snake River, in Wyoming.

The Department of Texas consists of the State of Texas, and is commanded by Brig. Gen. C. C. Augur. The garrisons include ten permanent posts, two of which, Forts McKavett and Stockton, have been ordered abandoned, and ten camps and subposts along the southwestern frontier.

During the past year the force in the division has been reduced by the transfer of the Third Cavalry from the Department of the Platte, and the First Infantry from the Department of Texas, to the Military Division of the Pacific. The Third Cavalry was at first ordered to be replaced by the Twelfth Infantry from the Division of the Pacific, but the last-named regiment was immediately transferred to the Military Division of the Atlantic, and in lieu thereof three light batteries of artillery were ordered from that division. To garrison the military posts in this division there are now seven regiments of cavalry, nineteen regiments of infantry, and four batteries of light artillery, aggregating 13,854 officers and men, distributed as follows:

Department of Dakota—two regiments of cavalry, 1,284; seven regiments of infantry, 3,243; one battery of light artillery, 65; total, 4,592.

Department of the Platte—one regiment of cavalry, 652; three regiments of infantry, 1,323; one battery of light artillery, 65; total, 2,040.

Department of the Missouri—two regiments of cavalry, 1,413; six regiments of infantry, 2,844; and one battery of light artillery, 65. Stationed at the school of application for cavalry and infantry, at Fort Leavenworth, Kans., besides companies belonging to other departments of this division, viz: Troops G, Seventh Cavalry, 57, and M, Eighth Cavalry, 62; Companies A, Fourth Infantry, 39, and G, Eleventh Infantry, 42. There are also one troop of the Third Cavalry and one company of the First Infantry, both of which belong to regiments transferred during the past year to the Division of the Pacific. Total strength of troops in the Department of the Missouri, 4,626.

Department of Texas—two regiments of cavalry, 1,383; three regiments of infantry, 1,413, and one battery of light artillery, 65 (not yet reported for duty); total, 2,796.

From the foregoing department effective totals, the following deductions are to be made of troops serving at the present time as garrison of the cavalry and infantry schools at Fort Leavenworth:

Department of Dakota, one troop of cavalry, 57; and one company of infantry, 42; total, 99.

Department of the Platte, one company of infantry, 39.

Department of Texas, one troop of cavalry, 62.

Department of the Missouri, headquarters, band, and two companies of the Twentieth Infantry, 128; one troop Fourth Cavalry, 55; one battery of light artillery, 65; total, 248.

One lieutenant from each of the cavalry and infantry regiments of the Army is detailed for instruction at the school.

In the Department of Dakota unusual quiet has prevailed during the past year. The Northern Pacific Railroad has progressed westward with great rapidity, and bids fair to reach Bozeman by next summer or fall. Its present western terminus is at Billings, 60 miles westward of the Big Horn River, and the valley of the Yellowstone is now being settled by an industrious population. The trouble which occurred last winter, through the occupation of the country along Milk River, by Indians and half-breeds from British America, has been successfully settled by sending troops from Fort Assinaboine to remove these intruders to the country whence they came, north of the boundary line. This winter the amicable relations existing between our forces in that section and the Canadian police, at Fort Walsh and other posts, whereby information of the movements of such Indians is interchanged, will go far toward insuring quiet in that direction. I would respectfully recommend the abandonment of Fort Hale, on the Missouri River, and that the buildings at that place be transferred, by act of Congress, to the Indian Bureau, for the establishment of an Indian school, should the Indian Bureau desire them for such a purpose.

In the Department of the Platte, some important changes have occurred since my last annual report was rendered. The old posts of Fort Fetterman and Fort Sanders, having fulfilled the objects for which they were originally built, have been abandoned. The post of Fort Thornburgh was located, last year, near the junction of the Green and Duchesne Rivers, in Utah, but, at the request of the Interior Department, it was changed to its present place on Ashley Fork, 35 miles from the Ute agencies. The expected appropriation for building was not made by Congress, and the troops of the garrison have been withdrawn for the winter, excepting a small guard for the saw-mill and other property. At the proper time, during the next session of Congress, attention will be called to the necessity of an appropriation for building this post. In the early spring I will recommend the abandonment of Fort Hall, Idaho, and the transfer of its small garrison (one company) to Fort Douglas or Fort Cameron, Utah. During the pressing need for additional mounted troops in Arizona, I sent the Third Cavalry to that Territory, and hope to receive it back in the Department of the Platte again, or if not that regiment, then the Sixth Cavalry in its place. The two largest Indian agencies in the country, viz. the Pine Ridge and the Rosebud agencies, have to be controlled principally by troops in the Department of the Platte. Many thousands of Indians are at each of these agencies; those at Pine Ridge occasionally become restless, and I think it would be wise to watch them, with sufficient troops held well in hand, for some time to come.

There has been no serious trouble with Indians in the Department of the Missouri during the past year, though the troops in New Mexico have been kept actively engaged in protecting that Territory against raids, for the details of which I would refer to the annual report of General Pope. The remainder of the Northern Cheyennes at Fort Reno are very restive, but I do not apprehend any serious trouble from them. The rights of Indians in the Indian Territory have been encroached upon by the pasturing and driving of large herds of cattle through the Indian lands. No uniform system seems to have been adopted by the Indian Bureau with reference to these herds, the owners of some of them paying a herd tax to the Indians, whilst others do not, so that on

several occasions the military have been called upon to quell troubles arising from the mixed condition of affairs.

The posts of Fort Dodge, Fort Wallace, and Fort Larned, all in Kansas, having outlived the necessity for them as military stations, have been abandoned as such. The cantonment on the North Fork of the Canadian River, in the Indian Territory, has also been abandoned and turned over to the Indian Bureau for use as a school. I recommend that Forts Wallace, Dodge, and Larned be also turned over to the Indian Bureau for similar purposes.

The school of application for cavalry and infantry, established at Fort Leavenworth, Kans., last year, is in excellent condition—is already showing good results, and I believe is going to be of immense benefit to the Army as a practical school.

Of the Department of Texas little remains to be said not covered by the annual report of General Augur. The sites for two new posts have been selected, and authority has been received for the purchase of land at San Antonio as site for a military post, for which purchase negotiations are now in progress. On account of the prevalence of yellow fever, and the changed condition of affairs on the Rio Grande, I shall reduce the size of the garrison at Brownsville, leaving there only the minimum force necessary, and will remove the rest of the troops to posts higher up in the country. I believe there should be a garrison at Brownsville, but that it should be as small as possible.

The wonderful growth of the railway system in this division is worthy of remark in connection with its bearing upon military operations. The extension of the Northern Pacific toward Bozeman has already been noted, and the Utah and Northern has reached Butte City, Mont., 416 miles north of Ogden. The Denver and Rio Grande is in operation to Montrose, 62 miles west of Gunnison, on the Utah division, and to Silverton, 44 miles from Durango, Colo., on the San Juan division. The Atlantic and Pacific, having crossed New Mexico from Albuquerque to the west, has now reached Williams, Ariz., a point about the 112th meridian. Last year marked the completion of the Southern Pacific to El Paso, whence the Mexican Central is now running to Chihuahua in old Mexico, the Texas Pacific, from Fort Worth, connecting with both the others at El Paso, a point reached also by the Atchison, Topeka and Santa Fé. The Galveston, Harrisburg and San Antonio Railroad is in operation westward to Fort Clark, Tex., and eastward, from El Paso to Lozier, near the Pecos River. The International and Great Northern is in operation from San Antonio to Laredo, where it connects with the Texas-Mexico and Mexican National roads, the former in operation from Corpus Christi to Laredo, and the latter constructed to Salinas, far on the way to Monterey and the city of Mexico.

The extension of the railroads affords an opportunity for a much-needed concentration of the small companies of troops into larger garrisons where they can be more economically supplied and their discipline and efficiency increased—conditions hitherto almost impossible, when weak companies were scattered at numerous small military posts. I have already selected points with a view to such a concentration, as soon as the condition of Indian affairs will admit of the withdrawal of troops from the more remote places.

The improvement in marksmanship by the troops throughout the division has been very gratifying during the past year, officers and men, generally, having taken the deepest interest in this subject. It has been a surprise to me that so little attention was paid to this vitally important matter in years gone by. I earnestly recommend a liberal

allowance of ammunition in the future to be expended in target practice and in the prescribed rifle competitions.

The several departments of this military division have all been ably and economically administered by their respective commanders, Generals Pope, Terry, Augur, and Crook, to whose annual reports, herewith submitted, I refer for details of information.

The supply departments throughout the division have worked well and economically, and the officers in control of these important branches of the service are entitled to credit for their efficiency.

I have the honor to be, general, very respectfully,

Your obedient servant,

P. H. SHERIDAN.

Lieutenant-General Commanding.

Brig. Gen. R. C. DRUM,

Adjutant-General, United States Army, Washington, D. C.

REPORT OF MAJOR-GENERAL HANCOCK.

HEADQUARTERS MILITARY DIVISION OF THE ATLANTIC.

Governor's Island, New York, October 21, 1882.

SIR: In accordance with the instructions contained in your letter of September 27, 1882, I have the honor to transmit the following report of military operations within the Military Division of the Atlantic during the past year.

The geographical boundaries of the division are the same as at date of last report. It is divided into two military departments—East and South—the former being under my immediate command, with headquarters at Governor's Island, New York, and the latter under command of Bvt. Brig. Gen. Henry J. Hunt, colonel Fifth United States Artillery, with headquarters at Newport Barracks, Ky.

The aggregate of troops serving in the Division of the Atlantic on the 30th of September, 1882, was, according to the returns of that date, as follows:

	Commissioned officers.	Enlisted men.
Headquarters Military Division of the Atlantic	9	14
Department of the East.....	269	2,170
Department of the South.....	70	485
Total	348	2,669

On the 30th of September, 1881, the strength of the division in troops was 337 commissioned officers and 2,398 enlisted men.

My annual report of last year, dated October 31, 1881, closed with a brief account of the services of the troops at the Yorktown Centennial Celebration, in that month, and their return to their respective stations.

It has been apparent during the past year that the tour of the troops in camp at Yorktown on the occasion in question, brief though it was, has been of benefit in point of military experience, instruction, &c.

General Orders No. 75, of October 15, 1881, from the Headquarters of the Army, Adjutant-General's Office, directed the transfer of the First United States Artillery from the Department of the East to the Military Division of the Pacific, and the Fourth United States Artillery from that division to the Department of the East. The same orders

also directed the Third and Fifth Regiments of Artillery serving in this division—the former in the Department of the East and the latter in the Department of the South—to interchange stations.

At once, upon the receipt of the orders in question, the necessary detailed instructions were given to carry these movements into execution so far as concerned the First, Third, and Fifth United States Artillery.

The utmost economy was observed in the matter of transportation.

The batteries of the First Artillery—four at Fort Adams, two at Fort Trumbull, two at Fort Warren, two at Fort Columbus, and one at Fort Preble—left the Department of the East during the second week in November. Ten batteries of the Third United States Artillery left the Department of the East for their stations in the Department of the South during the same month.

The light battery of this regiment being on its return march from Yorktown to Fort Hamilton at the time of the movement did not leave for its post in the Department of the South—Little Rock Barracks—until early in December. The Fifth United States Artillery joined the Department of the East the latter part of November and early in December, with the exception of Battery I (Crabbs), which had been sent north by me in October from Yorktown (at the conclusion of the ceremonies there) on the steamer provided to take the troops to and from that point. In distributing the Fifth United States Artillery to posts in the Department of the East, I took the opportunity, with the approval of the General of the Army, to discontinue Fort Wadsworth, New York Harbor, as an independent post, making it a dependency of Fort Hamilton, and directed the commanding officer of the latter post to station an adequate guard there to look after the public property, &c.

The first battery of the Fourth United States Artillery reached the Department of the East from the Military Division of the Pacific the second week in November, and by December 1st the last battery had arrived.

I inclose herewith a return showing the precise dates of the departure and arrival of these troops, together with copies of the several orders issued by me assigning them to their respective stations.

This and the tabular report submitted by Brevet Brigadier-General Hunt, commanding the Department of the South, supply full information on these points.

The health of the troops in the Department of the East during the past year has been good.

In the Department of the South early preparations were made to withdraw the garrisons from the posts liable to the ravages of yellow fever, should that disease make its appearance. The summer had almost passed, and no occasion had arisen for removing the troops on this account, and it was hoped that this year there might be none: but in the latter part of August yellow fever of a virulent type made its appearance at Pensacola, and at once the three batteries of the Third United States Artillery at that point, Fort Barrancas, were removed to Mount Vernon Barracks, Ala., a healthy post, and there they still remain. A detachment of Marines was also sent from Pensacola to Mount Vernon Barracks, at which post the General of the Army directed they should be received and provided for as well as possible, and be looked upon in all particulars as guests, subject to the common rules of discipline, until the yellow fever should have ceased, and they are now in camp at that place. Everything has been done to make them comfortable in point of accommodation, &c., during their stay at Mount Vernon Barracks.

At Fort Brooke, Tampa, Fla., where the two batteries forming the garrison of Key West Barracks have been stationed since the spring of 1880, "dengue fever" appeared amongst the garrison in July last.

The post of Fort Brooke, Fla., having been ordered to be abandoned and the reservation turned over to the Interior Department, it was contemplated to transfer the two batteries of the Third Artillery stationed there, one to Saint Augustine, to replace Battery F (Lancaster's), lately ordered to San Antonio, Tex., to be mounted, and one to Mount Vernon Barracks. This movement has been delayed, however, until the troops shall have recovered from the effects of the "dengue fever," but will be made as soon as practicable. For a more detailed report of this matter I invite attention to the report of the commanding general, Department of the South.

General Orders No. 96, of August 15, 1882, from the Headquarters of the Army, Adjutant-General's Office, directed an additional battery in each artillery regiment to be mounted. Battery F, Third Artillery, stationed at Saint Augustine, Fla., in the Department of the South, was selected from that regiment and ordered to take post at San Antonio, Tex., to which point it will be sent as soon as yellow fever disappears from the southern coast and there is no further risk of contagion.

Battery F, Fourth Artillery, stationed at Fort Warren, and Battery D, Fifth Artillery, stationed at Fort Schuyler, in the Department of the East, were the selections from those regiments, the former being ordered to Fort Snelling, Minn., and the latter to Fort Omaha, Nebr. Battery F, Fourth Artillery, left Fort Warren for Fort Snelling September 4, 1882, and Battery D, Fifth Artillery, left Fort Schuyler for Fort Omaha September 7, 1882. This had the effect of withdrawing two batteries from the Department of the East and one from the Department of the South.

By General Orders No. 105, of August 29, 1882, from the Headquarters of the Army, the Twelfth United States Infantry was transferred from the Department of Arizona to the Department of the East, and it was decided to station the regiment as follows: Headquarters and six companies at Madison Barracks, N. Y., two companies at Fort Niagara, and two companies at Plattsburg Barracks, N. Y., the latter only temporarily, however, until Fort Montgomery, Rouse's Point, N. Y., an important strategic point at which it has been decided to establish a garrison, when practicable, should be in condition, in point of quarters, to accommodate troops. The arrival of the Twelfth United States Infantry and its assignment to Madison Barracks, Fort Niagara, and Plattsburg Barracks, necessitated the transfer to other stations of the batteries of the Fourth and Fifth Artillery at those posts, and I accordingly sent the battery of the Fifth Artillery at Plattsburg Barracks to Fort Schuyler, to replace Battery D (to be mounted and sent to Fort Omaha as before stated), the Battery of the Fifth Artillery at Fort Niagara to Fort Hamilton, and the two batteries of the Fourth Artillery at Madison Barracks to Fort Warren (one of them to replace Battery F, to be mounted and take post at Fort Snelling, Minn.), and the other to replace Battery G (Morris's), which, with the sanction of the General of the Army, was transferred from Fort Warren to Fort Adams.

The artillery, therefore, in the Department of the East at this date—thirty-three batteries—is distributed as follows:

Fort Monroe (artillery school), five foot batteries.

Fort Hamilton, New York Harbor, one light, five foot batteries.

Fort Adams, R. I., one light, four foot batteries.

Washington Barracks, D. C., one light, four foot batteries.

Fort Warren, Mass., two foot batteries.

Fort McHenry, Md., three foot batteries.

Fort Columbus, New York Harbor, two foot batteries.

Fort Schuyler, New York Harbor, two foot batteries.

Fort Preble, Me., one foot battery.

Fort Trumbull, Conn., two foot batteries.

This distribution gives to the majority of the posts mentioned garrisons sufficient to enable instruction in the artillery arm to be pursued under better conditions, and with increased prospect of beneficial results, than heretofore.

With a view to the better instruction of his regiment in military duties incident to service in camp and in the field, Col. R. B. Ayres, Second Artillery, requested, early in the summer, to be allowed to place the light battery and the four foot batteries of his regiment at Washington Barracks, and a portion of the garrison at Fort McHenry, in camp at Gaithersburg, Md., which afforded all the requisite facilities for the purpose, and where a camp ground could be had at an economical rate. With the approval of the General of the Army, the application of Colonel Ayres was granted, and in the latter part of last June the light battery and the four foot batteries from Washington Barracks and two foot batteries from Fort McHenry marched to Gaithersburg and went into camp, where they still remain, to be withdrawn, however, to their former stations in a short time. The change from garrison to camp life has, I am informed, been beneficial in several respects. It has afforded ample opportunity for instruction and improved the health of the troops, many of them being troubled with malaria, to which the posts of Washington Barracks and Fort McHenry are somewhat disposed at certain seasons of the year.

I inclose the several reports of the chiefs of the staff corps at these headquarters, exhibiting the operations of their respective departments during the period for which they are made. They afford evidence of close attention to details and exhibit a proper regard for economical administration of the public funds, which some of them are required to disburse. Inspection duty, in all its branches, within this division, has been thoroughly and conscientiously performed during the year, and with beneficial results. The reports of the inspectors, which are inclosed, will be found interesting, and many of their judicious suggestions deserve more than a passing notice. I ask especial attention to the recommendations of Lieut. Col. Roger Jones, assistant inspector-general, in regard to the issues of fuel under existing regulations and the accountability therefor, and the same in reference to issues of oil, under the provisions of General Orders No. 50, Headquarters of the Army, Adjutant-General's Office, 1881.

Maj. Richard Arnold, Fifth Artillery, acting assistant inspector general, advertising to the pressing necessity for additional buildings at Forts Adams and Hamilton, so as to quarter the men of the light batteries at those posts nearer the battery stables, refers to previous recommendations for the establishment of a school for light artillery instruction, to consist of at least four batteries under a field officer. I have, heretofore, adverted to this subject, and am still convinced of the benefit to the service which would accrue from such a concentration of light batteries under a skilled commander, but the size of our Army, and the multifarious duties it is called upon to fulfill in all sections of our vast country, do not always make practicable what is clearly seen to be beneficial. I trust, however, that if it should be found feasible, a light artillery school, such as was established at Fort Riley some years ago,

may be again organized. With it, and the artillery school at Fort Monroe, and the school of application at Fort Leavenworth, the Army would have at its command every facility for thoroughly training its officers and men in their professional duties.

The inspectors advert to the present system of post schools, and I agree with them that the principal drawback to an efficacious development of the system, is the want of competent school teachers with defined position and pay.

I forwarded on September 1 a report on the subject from Lieut. Col. W. D. Whipple, assistant adjutant-general at these headquarters, which discussed this matter. I understand that the subject of post school is receiving the attention of the superior military authority with a view to provide what is still lacking to make them efficient and successful.

The report of the chief quartermaster of the department exhibits in detail what has been done in the matter of new buildings, repairs, &c., during the year. Many needed repairs had to be deferred on account of the limited appropriations. Estimates will be submitted in due season for what is necessary to put all the buildings in the division in good condition, with a view to their being filled early in the next fiscal year, if practicable.

New hospitals at Fort Columbus and at Washington Barracks have been completed during the past year, and authority has recently been given to erect a new one at Fort Schuyler, where it is much needed.

The reports of the chief commissary of subsistence, the medical director, and the chief paymaster, indicate a proper condition of affairs in those departments.

Rifle practice has now become one of the chief features of military instruction in the Army, and it is gratifying to see that zeal in this direction has in no wise abated. The present system, established by General Orders No. 53, of May 15, 1882, has already had a fair test in this command, and, so far as my own observation goes, with a large measure of success. In this connection I invite attention to the report herewith of Capt. H. G. Litchfield, Second United States Artillery, on special duty at these headquarters, in connection with rifle practice, which recites in detail what has been done in this division in that direction during the past year. I agree with him fully that our advanced riflemen now "surpass in excellence our rifle," and that there is much need of a limited number at least of superior rifles in point of power and accuracy, at long ranges, beyond the capabilities of the present arm. It is to be hoped that the Ordnance Department may be able to supply this deficiency at an early date, and thus place our Army riflemen upon an equality with those of any service.

The remarks and recommendations of Captain Litchfield in regard to unloaded new cartridge cases (or shells) only being issued for reloading, are worthy of attention. I commend also to notice his advocacy of the target system in use by the State of New Jersey, known as the "Brinton" target. Post commanders and company officers have generally been active and energetic in stimulating their men to persistent rifle practice, and have done much to aid the development of the rifle system as now organized.

The rewards issued to the winning marksmen have been received with general appreciation.

The discipline and general condition of the troops as reported to me are satisfactory, and the inspectors have found marked improvement in this respect during the past year.

Military offenses have decreased, as will be seen from the statistics

on this head given in the report of the judge-advocate of the division herewith. There is one subject in that officer's report to which I ask especial attention, and, that it may be clearly understood, give the following extract:

Attention is invited to the singular deficiency in the law, as to the method of ascertaining in a judicial way, the cause of decease and the responsibility therefor, if any there should be.

In the cases in point, the post was under the sole and exclusive jurisdiction of the United States, and, of course, the local coroners, in the neighboring city, had no jurisdiction to hold an inquest.

There was no one so situated as to feel constrained to demand a court of inquiry under the one hundred and fifteenth Article of War; consequently the only method of investigation was by a board of officers convened for the purpose by the department commander.

This board, however, had no power to administer oaths, or to compel the attendance of witnesses, and so arrive at a judicial determination.

It is manifest that its power of investigation was limited beyond that which the experience of all English-speaking countries has found necessary where death has been the result of any act.

In most of the States of the Union the coroner is the local judicial functionary who conducts the inquisition. No such officials or persons invested with their functions reside in military places under military jurisdiction.

As a consequence, in two recent instances, at different posts where soldiers have been accidentally killed and it became necessary to send their remains to national cemeteries, local, municipal, and health authorities in each instance made strenuous objection because there was no coroner's certificate, as required under penalties by State law and much inconvenience was thereby created.

I have the honor, therefore, respectfully to suggest that the attention of Congress be invited to the propriety of enacting that whenever, at any post, fort, or camp, garrisoned by the military forces of the United States and under the exclusive jurisdiction of the United States, any person shall have been slain, or suddenly died, or been dangerously wounded, or been found dead under such circumstances as to require an inquisition, a court of inquiry may be appointed under the one hundred and sixteenth Article of War—one member, if practicable, to belong to the Medical Department of the Army—in order to investigate as to the cause of said death or wounding, and to fix the responsibility therefor, and to express an opinion thereon, said court to be organized and its proceedings authenticated in the manner and to the effect required by the one hundred and seventeenth, one hundred and twentieth, and one hundred and twenty-first Articles of War, and to have all the powers mentioned in the one hundred and eighteenth Article of War.

And said court may, if in its judgment deemed necessary, issue process for the immediate apprehension of any person accused of the crime under investigation, who shall, without delay, be thereupon taken before the nearest judge or commissioner of or for any court of the United States or justice of the peace acting as such commissioner, to be dealt with according to the law governing like cases arising in the district in which said post, fort, or camp may be situate.

In closing this report I deem it proper to state that the officers of my staff, personal and general, have performed their duties with intelligence and fidelity.

In accordance with instructions this report and all of its written inclosures are submitted in duplicate, printed inclosures in triplicate.

I am, sir, very respectfully, your obedient servant,

WINF S. HANCOCK.

Major-General, Commanding.

THE ADJUTANT-GENERAL U. S. ARMY.

Washington, D. C.

REPORT OF MAJOR-GENERAL McDOWELL.

HEADQUARTERS MILITARY DIVISION OF THE PACIFIC
AND DEPARTMENT OF CALIFORNIA,
Presidio, San Francisco, Cal., October 14, 1882.

SIR: I transmit herewith the annual reports for the past year for the Departments of the Columbia, California, and Arizona, with the papers accompanying them.

These reports are so full that I have no need to add to them. The only serious disturbances were in the Department of Arizona, a full account of which is given in the report from its commander.

The present commander, Brigadier-General Crook, reported a few days ago that there were not at this time any hostile Indians within the limits of his command; that the only apprehension was with respect to hostile Indians now in Mexico; so there are at this time no hostile Indians anywhere in this division.

Before relinquishing the command I now hold, I am constrained to again ask the attention of the War and Interior Departments to the case of certain Piutes who were taken away from their tribes and homes in California and carried to an Indian reservation among a strange people north of the Columbia River. Their case is fully set forth in the accompanying papers marked AA.

It will be seen, as it appears to me, that the reasons which caused the refusal of my application to have these innocent and suffering people sent back to their tribe and homes have been mere questions of administration, of convenience, and economy, while I submit their return is a matter of good faith and mercy. The Indians in question—and a list of them is herewith—were not hostile. They had done nothing meriting punishment. During war they were carried away from their homes because it was easier to move them during hostilities than to leave a force to protect them at their homes. They are held in exile against their will. They are kindred to Winnemucca and his children, Natchez and Sarah, who periled their lives and were indefatigable during the war in doing everything for the whites and the Army. I am thus earnest and perhaps may be thought importunate in again urging this question, because it arose under my command and by officers acting under me, and these people and their families and friends look to me to see their wrongs redressed. I have had visits from Natchez and Sarah, and messages, asking me to have these people sent home. They have no representative, no newspaper to speak for them, and even if they could get their case before the courts are ignorant of the way to bring it there. I beg the proper officers may look again into this question, not as a matter of convenience to the service, but one of justice to unfortunate and innocent people.

I do not know that it is expected of me at this late day of my service, or that it is desired, that I should offer any recommendation as to the general good of the Army, still I will venture to bring one question to the notice of the War Department, with a view to Congressional action, because I have found it one of great inconvenience and delay in the administration of military justice.

I mean the limitation now imposed by law on the hours of session of courts-martial, making it illegal to sit after 3 o'clock p. m.

A reference to Lord Macaulay's History of England will show that this limitation was imposed by Parliament because at the time it was done 3 o'clock was the dinner hour of officers, and it was then the custom of

officers and gentlemen to be in such a state after dinner as to unfit them for judicial functions.

But officers do not now dine at 3 o'clock and do not get drunk when they dine, and the restriction has ceased to have any justification; and is simply a relic of the past which is the cause of much inconvenience and delay alike to the court and the prisoner, especially at distant posts.

I send herewith the reports of the officers of the division staff and ask especial attention to that of Assistant Adjutant-General Kelton, concerning the improvement in rifle practice in this division. To no one in this command, if, indeed, in the whole Army, is the service more indebted in the important question of use of small-arms than to Colonel Kelton; an enthusiast and expert shot himself, he has for years followed up the subject with a zeal and intelligence and marked ability which have been of the greatest value to the whole Army, and for which, as much of it was quite outside of his routine service as an assistant adjutant-general, he merits especial consideration.

I have the honor to be, very respectfully, your obedient servant,

IRVIN McDOWELL,

Major-General, Commanding Division.

The ADJUTANT-GENERAL, UNITED STATES ARMY,

Washington, D. C.

REPORT OF THE ADJUTANT-GENERAL.

WAR DEPARTMENT,
ADJUTANT-GENERAL'S OFFICE,
Washington, November 3, 1882.

SIR: I have the honor to submit my annual report for the year ending September 30, 1882.

MILITIA.

During the past summer and fall inspections of State militia encampments were made as herein-below indicated:

California.—At San José, by Maj. R. F. Frank and Capt. C. P. Eakin, First U. S. Artillery.

Indiana.—Near Indianapolis, by Maj. J. A. Smith, Corps of Engineers, and Lieut. E. L. Randall, Fifth U. S. Infantry.

Maine.—Near Augusta, by Lieut. J. R. Totten, Fourth U. S. Artillery.

Massachusetts.—On the State grounds, by Capt. G. B. Rodney, Fourth U. S. Artillery.

Pennsylvania.—At Lewistown, by Capt. R. H. Hall, Tenth U. S. Infantry.

Rhode Island.—At Oakland Beach, by Capt. E. Field, Fourth U. S. Artillery.

Vermont.—At Brandon, by Lieut. H. E. Tutherly, First U. S. Cavalry.

The reports—appended hereto—of the several inspecting officers are highly gratifying. They unmistakably indicate increased interest by both officers and men, and a determination to overcome obstacles—external as well as internal—that militate against the best interests of this important branch of the defensive power of the country.

In addition to the regular State encampments, competitive drills have been held at Charleston, S. C., New Orleans, La., Detroit and Grand Rapids, Mich., Louisville, Ky., Buffalo, N. Y., Toledo, Ohio, Baltimore,

Md., Milwaukee, Wis., and Pittsburgh, Pa. It gives me much pleasure to refer to this fact as an additional evidence of the almost universal spirit of emulation displayed by the uniformed militia, and of the desire on its part to excel in military exercises.

Under your instructions copies of the revised code of Regulations for the Army have been sent to the adjutant-generals of the several States in numbers sufficient for distribution to the military organizations reported by them in the annual militia return required by law. To complete the assimilation of the management, drill, and internal government of the militia with that of the Regular Army—so far as the fundamental conditions of their respective existence will properly permit—I beg to renew my recommendation that Congress be asked to authorize the distribution from this office, on requisitions of the respective adjutant-generals, of the tactical works, blank forms, and books prescribed for the Army.

* * * * *

THE MILITARY PRISON.

The progress of affairs at the military prison, Fort Leavenworth, Kans., has been, as far as the means supplied would permit, satisfactory. Some embarrassment was experienced just before the close of the last fiscal year because of the delay in obtaining appropriations, which prevented, to some extent, early preparations for a continuance of the general operations, but more especially the preliminary arrangements for procuring supplies for the prison. This was only temporary, however, and the time lost was in a measure compensated for by the usual energetic action of the officers of the prison. The appropriation of \$62,461.17 for the fiscal year ending June 30, 1882, was all expended, and a deficiency appropriation of \$5,000 was asked for and obtained, but an unexpended balance of \$1,997.45 was covered back into the Treasury.

In August, 1881, the sum of \$6,730.42, which had been on deposit in the First National Bank, Leavenworth, Kans., representing an unexpended balance of funds received up to November, 1878, on account of earnings by prisoners' labor and sales of manufactured articles, &c., was covered into the Treasury. The prison earnings, &c., had been used prior to November, 1878, towards defraying the expenses of the prison, but, as it appeared on examination at that time that the law did not give specific authority for such disposition of the funds, steps were taken to obtain legislation upon the subject; the effort, however, was unsuccessful, and the balance of funds remaining on that account was turned in as stated. No money was received as prison earnings, and no sales were made subsequent to November, 1878, but an account was opened with the Quartermaster's Department by charging against it a per diem for skilled and unskilled labor, and the work of the prisoners, except that employed upon prison buildings and grounds (including the cultivation of a farm), was directed to the manufacture of Army supplies and other work for the Quartermaster's Department.

The commissioners of the prison have visited and inspected it regularly, as required by law; an inspector-general of the Army has made a regular and thorough inspection of the prison, in all its departments, every three months, and the medical director of the Department of the Missouri has made a monthly inspection. The fact that the entire management of the institution has been found satisfactory at all times under this unusually close scrutiny, is good evidence of the competency of its officers, particularly the governor, to whom, without a

single reservation or exception, all officers whose duty it has been to note or direct the conduct of affairs at the prison give the very highest commendation.

A brief statement of the work during the fiscal year ending June 30, 1882, is taken from the report of the governor of the prison, as follows: Manufactured for the Quartermaster's Department, 33,113 pairs of boots, 18,996 pairs of shoes, 30,000 corn brooms, 2,236 barrack chairs, 118 sets of chair rods, 940 extra parts of chairs, 1,292 packing boxes, 136 crates, 127 sets of four-mule ambulance harness, 136 sets of six mule wagon harness, 110 single sets of wagon harness, and 316 suits of citizen clothing for issue to prisoners on discharge. Besides this work in the shops a large brick store-house 30 by 80 feet and two stories high, a new set of officers' quarters, and a new stable were erected; 420 feet of curbing set, and 1,599 feet of stone coping laid upon the prison wall; 96 acres of ground cultivated in potatoes, corn, cabbage, and a variety of vegetables—all by prison labor, under the foreman employed. A great amount of miscellaneous work and repairs was also accomplished in the same manner.

The work performed for the Quartermaster's Department was 55,991 days of skilled and 76,174 days of unskilled labor, amounting in money-value to \$24,356.10.

The number of prisoners in confinement June 30, 1881, was 447. There were received during the year, 348, and lost by discharge, &c., 342, leaving 453 in confinement June 30, 1882. Transfers to the prison were suspended in June last, because of lack of room to accommodate more than 450 prisoners during the hot season with safety to health. This suspension detained prisoners for a few weeks at the military posts in several departments, but increased accommodations, which were in course of construction during the summer, having lately been completed, the transfers have been resumed.

The health of the prisoners has been excellent, considering the class of men brought together; for a large proportion have led wild lives, and become more or less addicted to habits which must produce ill effects upon the physical constitution. But one death occurred during the year, and that was from disease which existed before the man was received at the prison. The most careful attention is given to the preparation of the food, and cleanliness of body is enforced by frequent bathing.

The reformatory features of the institution may properly be considered under two divisions: First, the general habits of the men; and in this there is undoubtedly much reformation, for the majority of men cannot possibly pass a term of two years or more under wise discipline and regular employment, and under restraint from vicious indulgences, without some good effect. Second, the mental and moral character, which are for the most part unaffected save by the free will and strong effort of the man himself. In this respect no certain success, or even progress, can be seen except in a very few instances. The chaplain of the prison is faithfully devoted to the work in his department, and during the year made a most earnest effort to establish regular classes for instruction in the common branches of learning. Teachers were selected from among the prisoners, and were compensated by a credit of one day against their terms of confinement for each day employed in teaching. For a short time the undertaking promised to be successful; but the novelty soon wore away, the attendance diminished, until all idea of a regular school session was abandoned, and secular instruction is now sought by a very few, but these few receive all the aid and encouragement that can be given. A good library has been provided

for the use of prisoners, and is reasonably well patronized. Religious services are held regularly, and are attended by nearly one-half of the prisoners, and it is reasonable to expect that some small percentage will, at the end of their terms, be restored to good citizenship and useful lives in the community.

In this connection I beg to renew most earnestly my recommendation that the governor (who, while on duty under his brevet rank of colonel, receives only the pay and allowances of his actual rank of captain) be given the local rank of colonel, *with the pay and allowances of that grade*. Personal knowledge, resulting from official visits to the prison, convinces me that the high administrative abilities of the present incumbent of the office of governor, the rare powers exhibited by him in the successful management of the many branches of industry conducted in that institution, and the amount of labor and responsibility falling to his share, demand recognition, not as a favor, but as a well and long merited acknowledgment of his eminent fitness for the position he occupies, and of his singular fidelity to his trust.

With this general statement I beg to refer to the reports of the governor and other officers of the prison, heretofore submitted, for the details of the year's work and progress.

GOVERNMENT HOSPITAL FOR THE INSANE.

The following is a list of persons committed to the Government Hospital for the Insane, under the orders of the honorable the Secretary of War, from October 1, 1881, to October 1, 1882:

Officers of the United States Army (retired).....	1
Officers of the late volunteer service (U. S. colored troops)	1
Enlisted men of the United States Army	45
Late soldiers of the United States Army	8
Late volunteer soldiers.....	1
Inmates of the United States Soldiers' Home	6
Military prisoners.....	5
Employés of the Quartermaster's Department.....	1
Hospital matrons.....	1
Total.....	69

OFFICERS ON DUTY AT REMOTE POINTS, AND ALLOWANCES TO OFFICERS ON COURTS-MARTIAL AND MILITARY BOARDS.

A profound conviction of the equity of my former recommendations on the subject of officers on duty at remote points, and of allowances to officers on courts-martial and military boards, impels me to again invite your attention to the reasons which seem to demand the modification of sections 1252 and 1269 of the Revised Statutes:

The great inconvenience to officers at distant stations, resulting in the difficulty, and in some cases the impossibility, of procuring assistance in supplying their personal wants and the care of their property, seems to demand that section 1252 of the Revised Statutes should be somewhat modified, so that officers at remote posts, where private help cannot be procured may be authorized, with, in every case, the consent of the soldier himself, to secure the services of an enlisted man for the performance of those duties. The entire time and attention of officers serving with troops is required in looking after the comfort and wants of their commands and the care of government property and interests. Even if the performance of these domestic duties were suited to their positions, they could only do so by neglecting some of the important and responsible public duties so absolutely essential to the well-being and efficiency of their respective commands and the best interests of the service and government.

Instances could be cited of officers who, rather than violate the section named, have conscientiously abstained from the employment of their men in preparing their food or caring for their animals, and have themselves performed these duties. It is not

believed that Congress contemplated such a condition of affairs, and I sincerely hope an effort will be made looking to the repeal of that section, or, preferably, to its modification, so that, in such cases, and conditional on the consent of the soldier and the approval of the department commander, officers may be allowed the services of an enlisted man of their immediate command, the pay proper of the soldier being withheld by the government and paid by the officer benefited.

Many cases have come to my knowledge of the hardships resulting from the detail of officers for duty on important courts martial or military boards convened at points away from the proper stations of such officers, and I beg to invite your earnest attention to this matter. Selected by reason of eminent fitness for the special duty to which assigned, they have no control over the length of the period of time during which the court-martial or board must remain in session to complete its labors, and, under section 1269 of the Revised Statutes, forbidding any allowance being made to an officer in addition to his pay, the increased expenses incident to their stay in cities fall so heavily upon them in the discharge of imposed duty that, it seems to me, the action of Congress reviving, in such cases, the old *per diem* allowance would be a simple act of justice. That, however, there may be proper restriction and avoidance of abuse, I beg to suggest the decision, in each case, be left absolutely to the discretion of the honorable the Secretary of War.

WORKING OF THE OFFICE.

The composition of the clerical and other force of this office was, at the date of my last report, as follows:

No.	Designation.	Grade.	Employed under—
1	Civilian clerks	Chief clerk	Act of March 3, 1881.
11	do	Class IV	Do.
17	do	Class III	Do.
35	do	Class II	Do.
151	do	Class I	Do.
*30	do	do	Do.
6	do	At \$1,000	Do.
*25	do	do	Do.
9	Civilian assistant messengers	do	Do.
20	General service clerks	Sergeants	Act of March 3, 1875.
37	do	Privates	Do.
38	General service messengers	do	Do.
22	General service watchmen	do	Do.
111	General service clerks	do	Act of March 3, 1881.
423			

* Additional, to expedite reports upon pension cases.

† Under the law allowing thirty additional men to the bureaus of the War Department.

I had then the honor to represent that this anomalous organization—part belonging to the purely civil and nearly one-third chargeable to the military establishment—was working injury to the Army, by cumbering its rolls with men performing purely clerical duties, and, to the extent of their pay and allowances, lessening the appropriations for the support of the Army proper. The law of August 5, 1882, making appropriations for the legislative, executive, and judicial expenses of the government, has applied the proper remedy by placing the entire clerical and other force of the office on the civil list. In this connection, I beg to refer to the remarks I made in my last report on the subject of “clerical duty in the Army,” and my conviction that the advantages resulting from the employment of civilian clerks at the several military headquarters would be, as indicated in that report, economy, benefit to the Army, and greater efficiency in the performance of the clerical work.

The rapid increase in the number of calls from the Pension Office for information from the rolls in connection with claims for pension, and the utter inadequacy of my force to prepare and make reports as promptly as, in my opinion, simple justice to men who had periled life and limb in defense of the government imperatively demanded, led me

to urgently request an increase of clerical force in numbers sufficient to partially correspond with the large number of additional clerks demanded by the Pension Office, and the law above cited authorized the employment in my office of 158 clerks "to be exclusively engaged in preparing and making reports to expedite the settlement of pension applications and soldiers' claims." The present clerical and other force is as follows:

Chief clerk	1
Clerks of class four	24
Clerks of class three	35
Clerks of class two	67
Clerks of class one	354
Clerks of \$1,000	16
Messengers	5
Assistant messengers	51
Watchmen	27
Laborers	3
Total.....	583

In view of the scattered condition of the records of this office, large masses being, of necessity, stored in buildings totally unsuited for their reception and safe keeping, the fourth story and attic of the south wing of the State, War, and Navy building—assigned by Congress to the War Department—were turned over to me for the accommodation of the valuable records and large clerical force connected therewith, which for years have been located in a large double warehouse on New York avenue, below Seventeenth street. Energetic measures were at once taken to effect the transfer, and I confidently expect it will be completed within a few days. The extent of this laborious work, performed with general alacrity and good-will, will be the more readily appreciated when I state that the records in question—regimental and company record books—number upwards of 35,000 thin folios. The absolute necessity for a quick transfer, the large influx of men unacquainted with the *minutiae* of Army records, and the consequent necessity devolving on the older clerks to devote much time to their instruction, have prevented the attainment of the highest results. The following table exhibits the labors of the enlisted volunteer pension branch and of other divisions of the office engaged in business relating to claims for pension, bounty, homestead grants, &c.:

Statement of calls from the Commissioner of Pensions, Second Auditor, &c., for full or partial histories of officers and men of the late volunteer forces in connection with claims for pension, bounty, back pay, subsistence, land claims, lost horses, &c.

	On hand October 1, 1881.	Received during the year.	Total.	Forwarded during year.	On hand October 1, 1882.
COMMISSIONER OF PENSIONS.					
Enlisted volunteer pension branch	15,395	130,118	145,513	189,557	41,936
Colored troops division	120	4,765	4,765	4,765	263
Volunteer service branch officers' claims	36	20,743	20,779	20,779	475
Total.....	15,551	155,626	171,177	215,101	42,674
SECOND AUDITOR.					
Enlisted volunteer pension branch	4,832	10,264	15,116	13,323	1,793
Colored troops division	125	3,718	3,843	3,843	165
Volunteer service branch	37	1,919	1,956	1,956	56
Total.....	5,094	15,901	20,995	19,122	2,014

Statement of calls from the Commissioner of Pensions, Second Auditor, &c.—Continued.

	On hand October 1, 1881.	Received during the year.	Total.	Finished during year.	On hand October 1, 1882.
THIRD AUDITOR.					
Volunteer service branch	5	305	310	291	19
GENERAL LAND OFFICE.					
Volunteer service branch	1,683	3,747	5,430	4,778	652
Colored troops division	3	119	122	118	4
Total	1,686	3,866	5,552	4,896	656
SUSSTINENCE DEPARTMENT.					
Enlisted volunteer pension branch	1,459	906	2,365	1,908	457
Colored troops division	3	40	43	42	1
Total	1,462	946	2,408	1,950	458
PAY DEPARTMENT.					
Colored troops division		697	697	696	1

RECAPITULATION.

Number of calls from all sources :	
On hand October 1, 1881	29,748
Received during the year	176,351
Finished during the year	200,099
Remaining on hand October 1, 1882	45,822

In conclusion, it gives me much pleasure to state that the business of the office during the past year has been discharged satisfactorily, and to bear testimony to the general efficiency and faithfulness of my clerks.

The accompanying table gives a general exhibit of the work performed, omitting, necessarily, the higher class of duties, which cannot be tabulated.

Respectfully submitted.

R. C. DRUM,
Adjutant-General,

Hon. ROBERT T. LINCOLN,
Secretary of War.

REPORT OF THE JUDGE-ADVOCATE-GENERAL.

WAR DEPARTMENT.
BUREAU OF MILITARY JUSTICE,
October 21, 1882.

SIR: I have the honor to submit the following report of the business of this Bureau for the year ending September 30, 1882:

Number of general court-martial records of trials received, revised, and recorded.	1,854
Number of reports made and opinions rendered upon court-martial proceedings, applications for pardon and mitigations of sentences, and upon miscellaneous questions of law referred to this Bureau	891
Number of transcripts of proceedings of courts-martial furnished the Pension Bureau and Treasury Department	661

(But a large number of searches for data have been made on personal

application of the Adjutant-General and the Treasury Department not included in the above.)

Number of copies of records furnished parties, as required by the 114th Article of War, 238, containing 9,156 pages.

The number of records of trials of enlisted men tried by inferior courts-martial (garrison and regimental) received and filed in the departments in which such courts were held, as reported by Judge-Advocates of Departments, is enumerated as follows:

Department of Arizona (no report rendered).	
Department of California	476
Department of the Columbia	821
Department of Dakota	1,273
Department of the East	1,122
Department of the Missouri	2,146
Department of the Platte	1,375
Department of the South	362
Department of Texas	1,220
Total	8,795

In my last annual report I adverted to the law organizing and prescribing the duties of the Bureau of Military Justice and the Corps of Judge-Advocates, the various military tribunals, together with the wants and necessities of said Bureau with respect to its personnel and materiel. Of the force of clerks estimated for—over and above the small force allowed in the past fiscal year—to take the place of two Judge-Advocates relieved and assigned to duty in Departments, and to assist in claims and pension searches, &c., but one clerk of class one was allowed, and the three copyists hitherto employed in this Bureau were reduced in number to one; the consequence is that work now in the office which ought to be attended to within a reasonable time must be delayed indefinitely. Applications for copies of records, some of an urgent nature, now awaiting attention, would require the employment of three clerks for more than six months, even if no more applications for copies were received in the mean time. With but one copyist to do this work, the inconvenience to parties is apparent.

In my previous report the necessity of amending the Articles of War in certain particulars was pointed out and recommended, which recommendation is here renewed. Considering that no writ of error or appeal lies to the sentence of a court-martial under our laws, and that the Judge-Advocate-General is expected to correct irregular proceedings of courts-martial, his duties, powers, and authority over these tribunals should be more clearly defined by law. The course now pursued when a case is found so defectively tried, or where the law has been evidently misapprehended to the prejudice of the prisoner, or where the evidence is not deemed sufficient to establish his guilt, and where substantial justice has not been done, is to submit a report of the case to the Secretary of War, with such recommendations as the interests of justice may demand, when the functions of this Bureau cease in the particular case.

The President (and the Secretary of War, by section 1351 of the Revised Statutes) may pardon or mitigate the sentences of military convicts, but they have no corrective power or authority conferred by law over courts-martial proceedings, except where the court has been appointed by the President.

Large numbers of applications for mitigations of the sentences of military courts are referred here for report. These applications find their way to this Bureau, sometimes direct from the prisoner or his

friends, or through the Secretary of War, or the Adjutant-General. Some are in the form of petitions under cover of the indorsement of a member of Congress. This Bureau makes up a full report in the case from the record of the trial filed therein, stating the nature of the offence, the circumstances connected with its commission, the sentence imposed, and a brief opinion on the merits of the whole case as presented in the application for clemency, and as appears from the record of the trial. This Bureau is then required to transmit its report to the Adjutant-General, who is presumed thereupon to submit it to the Secretary of War. Formerly such reports were submitted direct to the Secretary of War by the Judge-Advocate-General, but latterly the practice has varied and alternated between the Judge-Advocate-General and the Adjutant-General. At one time the Adjutant-General was required to refer such information as the records of his office contained in the case to the Judge-Advocate-General, who would then report and submit the case for the consideration of the Secretary. This was the more reasonable and logical rule, for the Adjutant-General has merely the custody of the documents evidencing enlistments or engagements to service, while this Bureau has not only these data in the case (which are always established at the trial), but the entire record of the conviction. Under this rule neither the Adjutant-General's Office nor this Bureau was subordinate to the other, and action was secured in the light of all the attainable facts in the case, and with no unnecessary delay or circumlocution. I desire, also, in this connection, to invite attention to the following: The recent regulations for the Army, compiled by the Adjutant-General, contain the following at paragraph 874:

Communications relating to military justice or proceedings of military courts, upon which the opinion of the Judge-Advocate-General is desired, will be forwarded through proper channels to the Adjutant-General.

The prior regulation on this subject is as follows

All communications pertaining to questions of military justice or the proceedings of military courts and commissions, throughout the Armies of the United States, must be addressed to the Judge-Advocate-General.

This prior regulation was originally promulgated in general orders to the Army, but subsequent thereto, and quite recently, a circular or letter changed the rule as now embodied in the regulation above quoted. It is difficult to understand why such communications should be addressed to the Adjutant-General rather than to this Bureau, where all the data in such matters are filed. Further, there is no good reason apparent why the Adjutant-General should be troubled with subjects over which he has by law no powers of revision or control, a course necessarily leading to delay, confusion, and increased labor, without any possible beneficial results. Nothing but the great importance of the subject impels me to thus advert to it. It deeply affects the country at large, in view of the great number of unfortunate young men who enlist and fail as soldiers in time of peace, and thus fill the military prisons of the country, leaving in numerous cases dependent wives, children, parents, and other relatives, whose piteous appeals for the release of their friends are constantly being made. Most military offenders are not of the felonious or vicious class; the great majority being simply deserters, the offence of desertion, in time of peace, being merely a breach of contract for personal services, but to which the law attaches criminal liability. Men enlist, and find the service to be totally different from what they imagined it to be. They find that nothing substantial can be spared for the assistance of dependent relatives, and at the first favorable opportunity abandon the service. The penalties now usually

awarded for desertion—from two to five years' hard labor in prison with dishonorable discharge, forfeiture of all pay, &c.—are too severe for this class of men.

But while this is so, there are others who are known in the Army as chronic deserters, who are constantly vibrating between the company and the military prison. Such characters should be more severely dealt with and means devised to effectually exclude them from the service. The ordinary offence of desertion in time of peace is, in my judgment, generally too severely punished in our service. The severity of the punishment is clearly not proportioned to the criminal nature of the offence. But why should this be necessary in our Army in time of peace, when recruits can so readily be procured and retained in the service? The great railroad and other corporations in the country which employ many thousands of men rarely or never lose their men *through desertion*, but the employment, though often severe and hazardous, is sought, and, when procured, retained. Service as a soldier in the Army should be sought by able-bodied and vigorous men as a calling leading to honor and reward, instead of one from which such men flee by the thousand annually. There must be some defect in our military system, otherwise this would not occur. The pay and allowances of a soldier are about those of the ordinary unskilled laborer. It is believed, however, that a larger number of the artisan class enlist than of the unskilled labor class, but these soon realize that the pay is insufficient, and that the service is not *just* what was anticipated; hence they abandon it. In my judgment, while the pay as now fixed is ample for some, yet for the greater part of the enlisted men of the Army it is insufficient. I think a measure, if adopted, of a regular increase of pay from year to year for faithful services which at the end of five years' service would make the pay of a soldier, say, twenty-five or thirty dollars per month, would secure to the service trained soldiers, and, all things considered, at a cost greatly less than that incurred by the present system. Again, it is found that men enlist and desert either at the recruiting rendezvous or soon after reaching the depot for recruits. It would be well, therefore, in time of peace, to establish a probationary term for the recruit; that is, upon enlistment and transfer to the depot, if he finds, upon considering his new relation, that he would prefer his discharge, to grant the same upon his paying expenses, &c., incident to his enlistment. This would protect the government and save the country a citizen. It is believed that a soldier in time of peace, *under proper restrictions*, should be accorded the right to buy his discharge from the service, by paying the necessary expenses and charges incident to his enlistment and assignment to a regiment. This principle was indeed recognized even in the emergency of a time of war by the statutes authorizing persons drafted to furnish substitutes. I refer to this only as it relates to the question of discipline through judicial proceedings and of pardons, questions on which this Bureau is required to act under the law and regulations.

The views of this Bureau on the Article of War limiting prosecutions as to time are briefly mentioned in the annual report of the Judge-Advocate-General for the year 1879, in which he said:

I scarcely need again remind the honorable Secretary of the singular anomaly dwelt upon by me in former reports, that while the prosecution of all other military crimes is admitted to be limited by the existing article to the period of two years therein prescribed, the crime of desertion has been heretofore held and treated by the majority of commanders in the Army to be practically unaffected by the limitation, so that a deserter may be brought to trial at any time after his offence, or, in other words, remain liable to arrest and punishment to the end of his life. Thus, under this doctrine and practice, a soldier of the war of 1812, who may have deserted and be still alive, may

at any moment be apprehended, tried by court-martial, and sentenced to a term of imprisonment, though by an exemplary and valuable life of more than half a century he may have atoned over and over for the dereliction of his youth. In other words, he remains under a liability from which a soldier guilty of mutiny or cowardice in battle, or a civilian guilty of manslaughter, robbery, rape, arson, or high treason, is exempt under the existing law of the land.

And in his report of 1880 he says:

In conclusion, I would refer the Secretary of War to the very recent decision of the United States district court for the southern district of New York, in the case of Thomas Davison, on *habeas corpus*, in which the views heretofore expressed by me and my predecessor in office, in regard to the subject of the limitation of prosecution in cases of desertion, are sustained most fully and explicitly and in every separate particular.

The following is a copy of the decision referred to in the report of my predecessor:

United States district court, southern district, New York.

In the matter of Thomas Davison on *habeas corpus*.

CHOATE, J.:

The petitioner, Thomas Davison, seeks to be discharged on *habeas corpus*. He has been arrested as a deserter from the Army, and is confined at Fort Columbus, Governor's Island. It appears by the return that he enlisted in New York on the 28th day of July, 1879, for the term of five years; and that he deserted while on furlough on the 14th day of February, 1872; that he was arrested as a deserter and brought to Fort Columbus on the 21st day of October, 1880, and that the preliminary steps have been taken by the proper military officers to have him brought before a general court-martial for trial. It appears * * * that at no time since the 14th day of February, 1872, has he been absent from the United States, but, on the contrary, has always resided continuously in the city of New York, which is the place where he is alleged to have committed the offence and where he was arrested.

The prisoner's release is claimed on the ground "that more than two years have elapsed since the commission of the alleged offence and before the issuing of an order for his trial, and that therefore he is not legally liable to be arrested and held for trial as a deserter." * * *

The one hundred and third Article of War (Rev. S. ats., § 1342) provides that "No person shall be liable to be tried and punished by a general court-martial for any offence which appears to have been committed more than two years before the issuing of the order for such trial, unless, by reason of having absented himself, or of some other manifest impediment, he shall not have been amenable to justice within that period." It is insisted on the part of the respondent that by "absence" is here meant absence from the post of duty, and that this article has no application to desertions. It is certainly a startling proposition that there is no limitation at all upon prosecutions for the offence of desertion; that one who has once been a deserter is subject during the whole of his natural life to be brought before a military court and tried and punished for this offence even in extreme old age. Yet this is seriously contended by the learned counsel for the respondent. The statute does not require, nor in my opinion admit of so strict and narrow a construction. There is nothing in this article itself clearly indicating that it does not extend to every military offence. As it is the only article limiting the time of prosecutions, the presumption is very strong that it extends to every military offence; for, with the single exception of the crime of murder, the almost universal policy of the criminal law is to prescribe a term within which the offender shall be brought to trial. The language of this statute of limitations must be construed with reference to the use of similar language in other statutes of limitations. The "absence" here intended is obviously from the context such an absence as interposes an impediment to the bringing of the offender to trial and punishment. It means absence from the jurisdiction of the military courts; that is, absence from the United States. The "other manifest impediments" referred to in the statute as being such as shall have prevented the offender from being amenable to justice, are such impediments only as operate to prevent the military court from exercising its jurisdiction over him, as, for instance, his being continuously a prisoner in the hands of the enemy, or of his being imprisoned under sentence of a civil court for crime, and the like. This seems to me to be the sensible and proper construction of the article. It is the construction which has been frequently given to it by the Executive department. (1 Opin. Atty. Gen., 383; 13 *id.*, 462; 14 *id.*, 52; re Harris, 14 *id.*, 265.) Nor as it seems to me can the whole effect of the limitation be taken away on the theory that the desertion may be considered for some purposes to be a continuing offence. The offence was complete February 22, 1872, for the purpose of this article, and indeed in the return that is alleged to be the time when the offence was committed for which the prisoner is now held.

Upon the undisputed facts of the case there was neither absence nor other impediment to his prosecution within the meaning of the statute. The prisoner has at all times been within the jurisdiction and amenable to justice if the charge against him is true. Therefore he is entitled to be discharged. The facts are such that if brought to trial he cannot possibly be found guilty, or punished by court-martial for the desertion. If on the facts a question could arise whether the prisoner had as matter of fact been absent from the jurisdiction, or by reason of other impediment had not been amenable to justice, then it might perhaps be the proper province of the military court and not of this court on *habeas corpus* to determine that question. But the fact not being disputed that he has resided in the city of New York continuously ever since his desertion the court-martial has nothing to try and his arrest for this cause is illegal.

Petitioner discharged.

The opposing views and reasoning, as published in pamphlet by the Adjutant-General, holding that the offence of desertion is not comprehended within the one hundred and third Article of War, are as follows:

The origin of the statute [of limitations] is in the act of April 10, 1806 (2 Stat., p. 259), and is in the exact language of the present one hundred and third Article of War, with the single non-essential exception that in the present one hundred and third article the word "or" occurring before the words "some other manifest impediment" does not appear in the original act. But prior to the creation of this statute, viz, by the act of March 16, 1802 (2 Stat., sec. 16, p. 671), it was provided "that if any non-commissioned officer, musician, or private shall desert the service of the United States, he shall in addition to the penalties mentioned in the rules and articles of war, be liable to serve for and during such a period as shall, with the time he may have served previous to his desertion, amount to the full term of his enlistment, and such soldier shall and may be tried by a court-martial and punished although the term of his enlistment may have elapsed previous to his being apprehended and tried." And this clause is deliberately repeated in the act of January 11, 1812 (2 Stat., sec. 13, p. 673), and again in the act of January 29, 1813 (2 Stat., sec. 12, p. 796), and still remains as a law for the government of the Army as the forty-eighth Article of War (sec. 1342, Rev. Stat., 1-78), thus showing the intent of the law-making power to vest the military authorities with full power to arrest, try, and punish a deserter whenever he may be apprehended, even though his term of enlistment had elapsed. Further than this, these acts are mandatory. The rules and articles of war impose certain penalties and punishments for the crime of desertion in addition to which the soldier is now called upon to make good to the government the time lost by his absence, so that the full period of his service shall be equal to the term agreed upon in his contract of enlistment, and in order that the offender may plead in bar of trial the expiration of his contract it is made the duty of the military authority to bring him to trial and if convicted to punish him, notwithstanding "the term of his enlistment may have elapsed previous to his having been apprehended and tried."

It is a fundamental rule that statutes of limitations, in criminal matters, apply to all cases not expressly excepted.

The forty-eighth Article of War, relied upon as taking the offence of desertion out of the purview of the one hundred and third article, reads as follows:

Every soldier who deserts the service of the United States shall be liable to serve for such period as shall with the time he may have served previous to his desertion amount to the full term of his enlistment, and such soldier shall be tried by court-martial and punished, although the term of his enlistment may have elapsed previous to his being apprehended and tried.

The one hundred and third article reads as follows:

No person shall be liable to be tried and punished by a general court-martial for any offence which appears to have been committed more than two years before the issuing of the order for such trial unless by reason of having absented himself or of some other manifest impediment he shall not have been amenable to justice within that period.

This article is a re-enactment of the eighty-eighth Article of War of the code of 1806, and manifestly there is no exception therein as to the offence of desertion.

The forty eighth Article of War is a re-enactment of the eighteenth section of the act of March, 16, 1802 (2 Stat., 136), and although this

act of 1802 had been successively re-enacted in the acts of 1812-'13 (2 Stat., 673, 795), yet up to the revision of the statutes in 1873, the early act of 1802 was solely relied on for the purpose. (See it embodied in the various editions of the Army Regulations up to 1863.)

The statute, it will be seen, was in force when the eighty-eighth Article of War was adopted, and it may be accepted as certain, if it was intended to except desertion from the universal rule established by that article, it would have been so provided. So far as both articles relate to the offence of desertion, they are laws *in pari materia*, and must be so construed with reference to each other. The first clause of the forty-eighth Article of War relates solely to the punishment that may be inflicted on a deserter; that is, making good lost time, and is not inconsistent with the limitations of the one hundred and third article. Yet the requirement to make good lost time cannot in strictness be considered as a *punishment*, but rather a *performance* of that which the soldier solemnly agreed to perform by his contract of enlistment. The second clause of the forty-eighth article—providing that the soldier may be tried and punished though his original term of enlistment may have expired—fixes the point of time from which the limitation of the one hundred and third article shall begin to run, namely, from the expiration of his original enlistment (unless the soldier shall have in the mean time been amenable to justice), because the article says that the soldier may be tried and punished for the desertion, although the term of his enlistment may have elapsed previous to his being apprehended and tried. Desertion, then, is a continuing offence during the enlistment. Beyond its expiration it is subject to the limitation fixed by the one hundred and third article.

The opposing views upon this construction of the article referred to are as follows:

It is not reasonable to suppose that the act of April 10, 1806, was intended to render the mandatory act of March 16, 1802, inoperative and ineffectual, nor is it credible that Congress should deliberately interpolate a law which should so conflict with other laws as to render a compliance with either practically impossible. It is not reasonable to suppose that Congress created the one hundred and third Article of War as a convenient plea in bar of trial to prosecutions under the forty-eighth, nor can it be so regarded by the Executive Department in the administration and execution of the law.

That is, according to this reasoning, the forty-eighth and one hundred and third Articles of War are irreconcilable and cannot stand together.

This view, it is claimed, is supported by the following reasoning and authority:

On the contrary, according to Mr. Justice Blackstone (Vol. 1, p. 91), "If there arises out of a statute any absurd consequences manifestly contradictory to common reason, they are, with regard to these collateral consequences, void"; and in the case of *Ogden vs. Strong* (2 Faine's U. S. Rep., 584), it is announced as a settled principle of law, that in the construction of a statute every part of it must be viewed in connection with the whole, so as to make all parts harmonize if practicable, and give a sensible and intelligible effect to each; nor should it be presumed that the legislature meant that any part of the statute should be without meaning or without force and effect.

Plainly this rule of construction does not support the reasoning of the other side, but just the reverse.

While the *law* is thus plain it is the *practice* and *procedure* under it that are found to be the most embarrassing. I think, however, the principles underlying the one hundred and third article in the matter of *pleading* and *practice* are truly stated in the following reports of this Bureau:

BUREAU OF MILITARY JUSTICE,
August 2, 1881.

Prisoner Charles A. Fisher, late 5th Infantry, was brought to trial in April last at Fort Keogh, M. T., for desertion committed July 26, 1872.

He pleaded in bar the one hundred and third Article of War, averring in support thereof the following facts: "I have been absent from my command two years and five months; have never during this period been to a foreign country; have never left the United States or its territories. I have in fact never left this department, and have on many occasions been among various detachments, troops, and companies of this command, I being employed either on the extension of the Northern Pacific Railroad or in carrying or guarding the United States mail between this post and the city of Bismarck, Dak., and have therefore always been amenable to justice had I been arrested. Should it be necessary to substantiate the above statements in regard to my whereabouts, I am able to refer to several commissioned officers and a large number of enlisted men of this command."

Thus the prisoner fairly raised the issue of his non-amenableity to trial under the one hundred and third Article of War, and was ready and willing to prove it, but the court would not permit him to do so, and immediately overruled his plea, whereupon the prisoner pleaded "guilty," and upon conviction was sentenced to dishonorable discharge, forfeiture of all pay and allowances, and to confinement for two years. The proceedings and sentence were approved and confirmed by the department commander and were duly transmitted to this office.

The bar of the one hundred and third Article of War is like any other defence before a court-martial. If the prisoner would avail himself of its benefits, he must plead it and prove it, or he may prove it on the general issue of "not guilty," without specially pleading it, and if the court believes from the evidence adduced that the offence was committed more than two years before the issuing of the order for the trial, and that the prisoner was amenable to justice within that period, that is, if the military authorities by reasonable diligence might have arrested him and brought him to trial within the lapsed period if they would, then the trial should be held to be barred within the meaning of the one hundred and third article; if otherwise, the plea of the prisoner should be held for naught.

The obligation of proving any fact lies upon the party who substantially asserts it.

Now, if the limitation of the one hundred and third Article of War was so incorporated with the offence of desertion, as defined by the forty-seventh Article of War, that the ingredients or essential allegations of the offence could not be accurately and clearly described if the limitation or exception is omitted, the specification must allege enough to show that the accused is not within the exception, in which case the burden of proof, showing that the prisoner was not amenable to justice within two years, would lie on the prosecution, because it was bound to allege it. But as the language of the forty-seventh Article of War defining desertion is so entirely separable from the provisions of the one hundred and third Article of War that the ingredients or essential allegations of the offence may be accurately and clearly defined without any reference to the last-named article, the charges founded on the forty-seventh article may omit any such reference, and the matter contained in the one hundred and third article is matter of defence and to be shown by the accused.

The same may be said of every other Article of War defining crimes and punishments, where the bar of the one hundred and third article is to be considered. That article is separate and distinct from each and all of the articles defining offences and punishments.

In *United States vs. Cooke* (17 Wallace, 168), it is held in a prosecution under section 16, act of August 6, 1846, providing against embezzlement of public money, that if the defendant would avail himself of the limitations to trial, &c., provided by section 32, act of April 30, 1790, the exception must be shown by him.

The court held that where a statute defining an offence contains an exception in the enacting clause of the statute, which is so incorporated with the language defining the offence that the ingredients of the offence cannot be accurately and clearly described if the exception is omitted, an indictment founded upon the statute must allege enough to show that the accused is not within the exception. But if the language of the section defining the offence is so entirely separable from the exception that the ingredients constituting the offence may be accurately and clearly defined without any reference to the exception, the indictment may omit any such reference. The matter contained in the exception is matter of defence and to be shown by the accused.

No exception or proviso of any kind is contained in [section 16] the act of Congress of August 6, 1846, and therefore the court held that the exception of limitation to trials prescribed by the thirty-second section of the act of April 30, 1790, was matter of defence to be shown by the accused if he would.

The sections of the acts of 1790 and 1846 referred to are embraced in §§ 1044, 1045, and 5491 of the revision; and in this connection the operation of §§ 1044, 1045, on prosecutions under § 5491, is deemed to be analogous to prosecutions under the forty-seventh Article of War, as limited in time by the one hundred and third article, and the same principle of procedure would apply as near as may be in both cases.

No uniform rule of procedure before courts-martial has been observed with respect to the limitation of trials as fixed by article 103, but the usual course of procedure and practice has been as stated in this case—the prisoner making the plea accompanied by a rambling argument on the law and the facts, to be immediately overruled by the court, as in this instance—although some courts-martial, thinking that such a statement on the part of the accused, without more, made it sufficiently to appear that the offence was committed more than two years before the issuing of the order for the trial, and that the trial was thus barred, have been known to sustain the plea, and submit the record to the convening authority, who invariably returned it to the court, with orders to proceed with the trial, disregarding the plea or statement of the prisoner.

The doubt now experienced by courts-martial in cases of desertion, where the specification shows upon its face that the alleged desertion was committed more than two years before the issuing of the order for trial, is whether the exception of the one hundred and third article should be shown by the prosecution, or by the accused. The general understanding is believed to be that the prosecution is required to show it, and this being impracticable, for to do so the prisoner's whereabouts during his unauthorized absence must be shown, and, in addition, that he was not amenable to justice within that period, so the prosecution does not attempt it, and the inherent difficulty of such showing has led to a disregard of the provisions of the one hundred and third article in cases of desertion.

To obviate this incongruity of procedure and practice under the one hundred and third article (or it might be said a total want of either), it is believed that the rule established by the Supreme Court in the analogous case referred to should be adopted, and where the prisoner shows, by competent evidence, that he was amenable to justice within the period fixed, it should be held binding and barring the trial.

As the prisoner, on his showing, was manifestly within the reach of the military authorities, and therefore amenable to justice within the lapsed two years, it was the duty of the court to allow the prisoner to make good his plea by the introduction of evidence, and the failure of the court to do this was substantial error, which, in my judgment, invalidates the proceedings and sentence. * * *

WAR DEPARTMENT,
BUREAU OF MILITARY JUSTICE,
Washington, March 21, 1882.

Respectfully returned to the Secretary of War.

The question asked in the papers is, whether an enlisted man who deserted in January, 1877—over five years ago—and is still at large, but is supposed to be in the vicinity of his post at Springfield, Mass., may now be arrested and brought to trial for the desertion. I answer, yes.

A contrary view, however, is assumed in these papers, and is placed on the ground that the liability to trial and punishment imposed by the second clause of the article [forty-eighth Article of War] is subject to the two years' limitation for prosecutions prescribed by Article 103; and therefore it would be useless to arrest this man, pay \$30 for his apprehension and have him discharged by *habeas corpus* * * * before he could be removed from the State, and that this has been done in Massachusetts at least in one instance.

It has been held by this Bureau "that in case of desertion, the period of limitation began to run from the day on which the deserter absented himself without authority." This ruling is here reaffirmed. It has been also repeatedly held by this Bureau that "the bar of the one hundred and third Article of War is like any other defence before a court-martial. If the prisoner would avail himself of its benefits he must plead and prove it, or he may prove it on the general issue of not guilty without specially pleading it; and if the court believe, from the evidence adduced, that the offence was committed more than two years before the issuing of the order for the trial, and that the prisoner was amenable to justice within that period, that is, if the military authorities, by reasonable diligence, might have arrested him and brought him to trial within the lapsed period, if they would, then the trial should be held to be barred within the meaning of the one hundred and third Article; if otherwise, the plea or showing of the prisoner should be held for naught." (See the opinions of this Bureau on this subject of the 2d of August, 1881, and the 19th of January, 1882.)

The bar of the one hundred and third Article of War, therefore, being a matter to be established on the trial, will not be inquired into on *habeas corpus*.

The ruling of Judge Choate in the matter of the deserter Davison in *habeas corpus* in the district court of the United States for the southern district of New York, being the only judicial decision on the subject, is in perfect harmony with what is here stated. (See the opinion in this case printed and attached to the Annual Report of this Bureau for 1880.) In that case the prisoner deserted in 1872, and was apprehended in 1880—eight years afterwards. The court laid down the rule that the period of limitation commenced on the date of the prisoner's absenting himself in desertion, and that the bar of the one hundred and third Article of War applied to the offence

of desertion in the same manner as to other offences provided by the Article of War. The court further remarked: "*Upon the undisputed facts of the case there was neither absence nor other impediment to his prosecution within the meaning of the statute. The prisoner has at all times been within the jurisdiction and amenable to justice in the charge against him is true. Therefore he is entitled to his discharge. The facts are such that if brought to trial he cannot possibly be found guilty or punished by a court-martial for the desertion. If on the facts a question could arise whether the prisoner had, as a matter of fact, been absent from the jurisdiction or by reason of other impediment had not been amenable to justice, then it might perhaps be the proper province of the military court, and not of this court, on *habeas corpus* to determine that question. But the fact not being disputed that he resided in the city of New York continuously ever since his desertion, the court-martial has nothing to try, and his arrest for this cause is illegal.*"

There is no question but the same ruling would obtain in Massachusetts. Of course if this man has resided in the vicinity of his post during the period of his absence in desertion, and the military authorities by reasonable diligence might have arrested him and brought him to trial within the limitation, he ought not to be now arrested and brought to trial. But this is a matter to be established by evidence on the trial and ought not to be presumed, neither can it be presumed that the courts in Massachusetts will transcend or violate well-established principles of law and set this man at liberty, if arrested, unless, as in Davison's case above cited, the case of the government be admitted away by concession for the purpose of establishing the single proposition as to whether or not the bar of the one hundred and third article applies to the offence of desertion.

The views of this Bureau respecting the burden of proof in showing the exceptions contained in the one hundred and third Article of War are sustained by the rulings of the Supreme Court of the United States in *United States vs. Cooke* (17 Wallace, 168), construing the statute of limitations in criminal prosecutions before the courts of the United States; that statute being substantially similar in its exceptions to those contained in the one hundred and third Article of War, but are denied, it would seem, by Attorney-General Wirt in a brief opinion rendered in 1820 (1 Opinions, 383), in which he said: "I do not think it is competent to any individual to waive [the limitation] or that a court-martial can proceed to examine into offences of more than two years' standing previous to the order summoning the court, unless the prosecutor can show that the party accused, by reason of absence or some other manifest impediment, had not been amenable to justice within the time limited by the rule."

Attorney-General Cushing (6 Opinions, 239) seems to admit the correctness of this opinion, in a case before him, in which, however, the point was not directly raised; and see it referred to in 13 Opinions, 463, and in 14 Opinions, 267, 268. But it is submitted that the views of Attorney-General Wirt on this subject violate well-established principles of pleading and practice, and virtually nullify the exceptions in the article, especially in cases of desertion. Absence is the only impediment in cases of desertion. If the prosecution be required to follow up and show where the deserter has been during his absence, this would imply that it was within the power of the prosecutor to have brought him to trial within the exact period, and thus the exception would be ignored. Not one deserter in five hundred is found to go beyond the limits of the United States, yet it is believed that the prosecutor, in very few of the numerous cases of desertion where more than two years have elapsed between the desertion and trial thereof, could trace by satisfactory evidence the exact whereabouts of the deserter during absence; and if he undertook to do so the expense of the investigation would be so large as to virtually defeat the ends of justice. How, then, should the matter be ascertained but by the showing of the party accused? He must be the best informed as to his whereabouts during his absence; and upon that showing—giving the prosecutor the right to reply—the court should determine whether or not he was amenable to trial during the lapsed period.

On the other hand, the party pleading or setting up the bar of the one hundred and third article must show that he is not within the exception contained in that article, because it is so associated with the general language fixing the limitation that it must be negatived by the pleader according to the rule stated in *United States vs. Cooke*, cited below, to the effect that—

where there is an exception so incorporated with the enacting clause that the one cannot be read without the other, then the exception must be negatived.

The whole of the one hundred and third article, it will be seen, must be read together in order to understand its object and purpose.

What action the Secretary of War may have taken in these cases this Bureau is not advised; but the subject is again commended to his

consideration, in the hope that some rule may be established where confusion and injustice now obtain. In a recent case where the party tried by court-martial applied to this Bureau for a copy of the proceedings in his case, it was ascertained that the record had not been received, but was retained and filed in the office of the Adjutant-General. The Adjutant-General was requested to transmit the record to this Bureau for file, which he did, with the following remarks:

These proceedings were forwarded to this office by the Commanding General, Division of the Pacific, for a decision of the War Department relative to his future status, the man having plead the one hundred and third Article of War in bar of trial, which plea was sustained by the court: * * * the Commanding General, Division of the Pacific, was furnished a copy of the decision of the Secretary of War, of January 20, 1877 (on the opinion of the Attorney-General of September 1, 1876), to the effect that the old interpretation of the late eighty-eighth, now one hundred and third, Article of War, under which a deserter might be tried by court-martial, without regard to the length of his absence, notwithstanding the limitation clause in said article, should continue to be in force.

It will be seen that the Secretary's views there given harmonize with those of this Bureau, and do not bear out the theory that the Secretary had determined that the limitation of the one hundred and third article did not apply to desertion. The court certainly has jurisdiction to hear and determine the case, although more than two years may appear to have elapsed since the commission of the offence.

The views of this Bureau as to the procedure and practice under the one hundred and third article are sustained by the very best legal authority. See, for example, Judge Redfield's note to *United States vs. Cooke*, in 12 *American Law Register*, N. S., p. 691, where all the authorities on the subject are reviewed and commented upon and the doctrine of that case sustained. Mr. Bishop, one of the ablest of our writers on criminal jurisprudence, in his first volume on *Criminal Procedure*, section 638, says:

As on the common law, so on a statute, the indictment need not negative what is mere matter of defence. For example, it need not deny that the prosecution is barred by the statute of limitations.

This citation, however, relates to a statute of limitations corresponding in form to the one hundred and third Article of War.

In the views I entertain of the one hundred and third Article, of course no amendment of it is necessary, the same being ample in its present form to insure justice and discipline in the Army.

The one hundred and fourteenth Article of War provides that—

Every party tried by a general court-martial shall, on demand thereof, made by himself, or by any person in his behalf, be entitled to a copy of the proceedings and sentence of such court.

What constitutes the proceedings and sentence of the court to which a party is entitled to a copy? I am of opinion that it must mean all that occurred before the court, set down in the record, as well as the action of the officer authorized by law to approve and confirm the proceedings and sentence, together with the reports of all other officers required by law to revise or pass upon the legality of the proceedings.

The Judge-Advocate-General is directed by law to revise the proceedings of all general courts-martial. It is plain, therefore, that the report of the revision of the Judge-Advocate-General in a case is as much a part of the proceedings as is the action of the court or the officer who approved and confirmed the sentence in the first instance. Nevertheless, the reports of revisions of the Judge-Advocate-General are now considered *confidential* in their nature, and parties tried are not permitted to receive copies of the same. While this is so, these

reports are authorized by the Secretary of War to be printed and published for distribution in the form of a digest. When it is considered that in most, if not all, trials by general courts-martial a number of issues are presented, and that rarely the case is summed up on the law and the evidence until it reaches the Judge-Advocate-General, it seems like a denial of a substantial right to refuse to parties tried copies of such reports.

The officers of the corps of Judge-Advocates are stationed as follows :

Maj. Guido N. Lieber, on duty in this Bureau.

Maj. William Winthrop, Military Division of the Pacific and Department of California, Presidio of San Francisco, Cal.

Maj. H. B. Burnham, Headquarters Department of the Platte, Omaha, Nebr.

Maj. Thomas F. Barr, in the Office of the Secretary of War.

Maj. Herbert P. Curtis, professor of law, Military Academy, West Point, N. Y.

Maj. Henry Goodfellow, Headquarters Department of the Missouri, Fort Leavenworth, Kans.

Maj. A. B. Gardner, Headquarters Military Division of the Atlantic and Department of the East, Governor's Island, New York Harbor.

Extracts from the reports of Judge-Advocates of Departments and of officers acting and performing the duties of those officers, embodying recommendations on various matters on the subject of the administration of military justice, are hereto appended, and, with this report, are respectfully submitted.

D. G. SWAIM,
Judge-Advocate-General.

The Hon. SECRETARY OF WAR.

REPORT OF THE QUARTERMASTER-GENERAL.

WAR DEPARTMENT,
QUARTERMASTER-GENERAL'S OFFICE,
Washington, October 9, 1882.

SIR : I have the honor to submit the annual report of operations of the Quartermaster's Department during the fiscal year ending June 30, 1882.

The balance in the Treasury to credit of the Quartermaster's Department at end of June 30, 1881, was, as by last report	\$1,705,296 04
Restored to the appropriations July 10, 1881, of requisition dated June 25, 1881	5,443 97
Appropriations for the fiscal year for services of the Quartermaster's Department were, in gross	10,869,000 00
Appropriation for payment of 50 per centum to land-grant railroads, for transportation	125,000 00
Appropriations for services of the Quartermaster's Department (act approved March 3, 1881)	364,925 84
Amounts deposited to credit of appropriations and received from sales to officers of public property	559,016 02
Total	13,625,681 87
Remittances to disbursing officers have amounted to	\$11,545,500 95
Requisitions to pay settlements made by Treasury to pay claims and accounts	473,026 77
Carried to surplus fund, act of June 20, 1874	427,914 50
	<hr/> 12,446,442 22
Balance in Treasury undrawn at end of June 30, 1882	1,182,239 65

A table accompanies this report, giving the amount of the various items of appropriations, remittances, &c., in detail.

The Quartermaster's Department is charged with the duty of providing the means of transportation by land and water for all troops and all material of war. It furnishes the horses of the artillery and cavalry, and horses and mules for the trains. It provides and distributes clothing, tents, camp and garrison equipage, forage, lumber, and all material for camps and for shelter of troops and of stores. It builds barracks, hospitals, store-houses; provides wagons, and ambulances, and harness, except for cavalry and artillery horses; builds or chartered ships, steamers, and boats, docks and wharves; constructs and repairs roads, railways, and bridges; clears out obstructions in rivers and harbors when necessary for military purposes; provides, by hire or purchase, grounds for military encampments and buildings; pays generally all expenses of military operations not by law expressly assigned to some other department; and, finally, it provides and maintains military cemeteries in which the dead of the Army are buried.

Food, arms, ammunition, medical and hospital stores are purchased and issued by other departments, but the Quartermaster's Department transports them to the place of issue and provides store-houses for their preservation until consumed. The corps of officers upon whom all these duties fall has been reduced by time until it is not able to fill well every post at which an officer of activity and ability is needed. Its ranks should be now opened to promotion and appointment.

Many officers of the line, finding themselves charged with heavy responsibilities as acting assistant quartermasters, and having insufficient assistance at frontier posts, ask that the enlistment of post quartermaster sergeants may be allowed by law.

Such non-commissioned officers, selected for experience and fidelity shown in actual service, would be very useful. They would remain at posts in charge of the property when the garrison changed, and thus would preserve knowledge and responsibility now often lost through frequent change of officers. Such officers also ask that some compensation may be granted them for the risk which they incur in the disbursement of public money, and for the responsibility involved in the care of large amounts of public property.

I have the honor to renew the recommendation heretofore made that an allowance of \$10 per month be made in addition to the pay of every line officer who is detailed by proper authority as acting assistant quartermaster of a military post, when such detail is properly reported to and approved by the War Department. Such an allowance is only just, and it would relieve the service from the feeling that heavy duties are imposed by such detail without any recognition or compensation. Such duties are important, and they should be sought by good officers, not imposed upon the slothful or unwilling.

CHANGES AND DUTIES OF OFFICERS.

By direction of the President, Brig. Gen. Montgomery C. Meigs, Quartermaster-General of the Army, was, on February 6, 1882, retired from active service in the Army.

Col. Daniel H. Rucker, assistant quartermaster-general, was in charge of the general depot of the Quartermaster's Department at Philadelphia, Pa., to February 19, 1882. On February 20, 1882, he assumed the duties of Quartermaster-General, with rank of brigadier-general, and on February 23, 1882, was retired from active service.

Col. Rufus Ingalls, assistant quartermaster-general, had charge of

the general depot of the Quartermaster's Department at New York City to March 10, 1882, and on March 16, 1882, assumed the duties of Quartermaster-General of the Army, with rank of brigadier-general.

Col. S. B. Holabird, assistant quartermaster-general, was on duty in this office, in charge of the finance, clothing supply, and inspection branches, and of the examination of officers' accounts and returns to April 30, 1882, and since that date in charge of the general depot of the Quartermaster's Department at Philadelphia, Pa.

Col. Charles H. Tompkins, assistant quartermaster-general, chief quartermaster Military Division of the Missouri, and in charge of depot at Chicago, Ill.

Col. James A. Ekin, assistant quartermaster-general, in charge of the general depot of the Quartermaster's Department at Jeffersonville, Ind., and disbursing officer of the Quartermaster's Department at Louisville, Ky., also in charge of the National Cemeteries in Kentucky and Tennessee, and the investigation of claims presented under the act of July 4, 1864.

Col. Rufus Saxton, assistant quartermaster-general, chief quartermaster Military Division of the Pacific, and Department of California-Presidio of San Francisco, Cal.

Lieut. Col. J. D. Bingham, deputy quartermaster-general, chief quartermaster Department of the Missouri, Fort Leavenworth, Kans.

Lieut. Col. A. J. Perry, deputy quartermaster-general, chief quartermaster Military Division of the Atlantic and Department of the East, Governor's Island, New York Harbor, to May 1, 1882. From May 10, 1882, on duty in this office in charge of the finance, clothing supply, and inspection branches, and of the examination of officers' accounts and returns.

Lieut. Col. H. C. Hodges, deputy quartermaster-general, chief quartermaster Department of Arizona, Whipple Barracks, Ariz., to March 29, 1882. From April 10, 1882, in charge of the general depot of the Quartermaster's Department at New York City.

Lieut. Col. J. G. Chandler, deputy quartermaster-general, on duty in this office in charge of the transportation, regular supplies, and miscellaneous claims branches.

Lieut. Col. William Myers, deputy quartermaster-general, chief quartermaster Department of Dakota, Fort Snelling, Minn.

Lieut. Col. C. G. Sawtelle, deputy quartermaster-general, chief quartermaster Department of the South, to April 26, 1882. From May 1, 1882, chief quartermaster Military Division of the Atlantic, and Department of the East, Governor's Island, New York Harbor.

Lieut. Col. J. J. Dana, deputy quartermaster-general, in charge of investigation of claims in Tennessee, at Nashville, Tenn., to April 1, 1882. From April 26, 1882, chief quartermaster Department of the South, Newport Barracks, Ky.

Lieut. Col. R. N. Batchelder, deputy quartermaster-general, in charge of the general depot of the Quartermaster's Department at San Francisco, Cal., to April 1, 1882. From April 20, 1882, to May 31, 1882, on duty in this office, and thenceforward in charge of the general depot of the Quartermaster's Department, and of the office of National Cemeteries at Washington, D. C.

Maj. M. L. Ludington, quartermaster, chief quartermaster Department of the Platte, Omaha, Nebr.

Maj. J. M. Moore, quartermaster, on duty in this office, in charge of barracks and quarters and claims branches to May 31, 1882, and from

June 1, 1882, in charge of barracks and quarters and miscellaneous files and record branches.

Maj. B. C. Card, quartermaster, in charge of the general depot of the Quartermaster's Department, and of the office of National Cemeteries at Washington, D. C., to May 31, 1882, and from that date in charge of the claims branch in this office.

Maj. C. A. Reynolds, quartermaster, disbursing quartermaster at Buffalo, N. Y., to February 2, 1882, and since on leave of absence and awaiting orders.

Maj. G. B. Dandy, quartermaster, chief quartermaster Department of the Columbia, Vancouver Barracks, Wash., to May 1, 1882. From May 25, 1882, in charge of the quartermaster's depot, Saint Louis, Mo.

Maj. George H. Weeks, quartermaster, in charge of quartermaster's depot, Fort Leavenworth, Kans., to April 11, 1882. From May 5, 1882, in charge of the general depot of the Quartermaster's Department at San Francisco, Cal.

Maj. W. B. Hughes, quartermaster, chief quartermaster Department of Texas, San Antonio, Tex., to May 11, 1882. From May 22, 1882, in charge of transportation at the Philadelphia depot, Pa.

Maj. A. G. Robinson, quartermaster, disbursing quartermaster District of Montana, Helena, Mont.

Maj. E. D. Baker, quartermaster, in charge of quartermaster's depot Saint Louis, Mo., to April 15, 1882. From May 1, 1882, chief quartermaster Department of the Columbia, Vancouver Barracks, Wash.

Maj. J. G. C. Lee, quartermaster, chief quartermaster District of New Mexico, Santa Fé, N. Mex., to December 3, 1881. From December 23, 1881, to January 22, 1882, temporarily in charge of quartermaster's depot at Saint Louis, Mo. From February 2 to April 26, 1882, disbursing quartermaster at Buffalo, N. Y. From May 11, 1882, chief quartermaster Department of Texas, San Antonio, Tex.

Maj. James Gilliss, quartermaster, quartermaster of the Artillery School, and post quartermaster Fort Monroe, Va.

Maj. T. J. Eckerson, quartermaster, in charge of quartermaster's depot at Boston, Mass.

Maj. A. J. McGonnigle, quartermaster, in charge of quartermaster's depot, New Orleans, La., to April 17, 1882. From May 13, 1882, chief quartermaster Department of Arizona, Whipple Barracks, Ariz.

Maj. E. B. Grimes, quartermaster, from April 10, 1882, in charge of quartermaster's depot, Fort Leavenworth, Kans.

INSPECTION BRANCH.

This branch of the office reports the stations and duties of officers of the Quartermaster's Department, and those officers of the line and officers of other branches of the staff on duty in the Quartermaster's Department as acting assistant quartermasters.

A complete list of all officers who have served in the Quartermaster's Department during the year accompanies the report herewith of Lieut. Col. A. J. Perry, who is in charge of this branch.

There have been received during the year 146,795 general orders, circulars, and other printed documents, and 109,467 were sent from this office.

The sum of \$9,639.39 has been expended during the year for subscriptions to newspapers and periodicals for libraries at military posts.

CLOTHING, CAMP, AND GARRISON EQUIPAGE.

The appropriation for supply of clothing, camp, and garrison equipage, to the Army for the fiscal year was \$1,100,000, and the deposits in

the Treasury to credit of the appropriation from sales to officers and for clothing overdrawn by enlisted men amounted to \$99,198.28.

On 30th June, 1882, there remained in Treasury unexpended \$13,331.59.

The appropriation for the current fiscal year is \$1,400,000, all of which will be consumed in payment of existing contracts and those yet to be made. It is estimated that the demands upon the department during the year will exceed the amount available for the purchase and manufacture of clothing, and camp and garrison equipage.

Strict economy will be observed in its issue, and all surplus supplies found at military posts will be accumulated at the depots of supply, and it is hoped thus to secure a sufficient working stock to fill all requisitions promptly.

Three thousand five hundred buffalo overcoats, 3,520 fur caps, 6,000 pairs of fur gauntlets, and 4,000 pairs of arctic overshoes, have been purchased during the year for issue to troops at extreme northern posts.

Measures have been taken to secure a model for barrack chairs with a view to amending the specifications for chairs now manufactured and issued to the Army. The object is to secure a lighter chair and an improvement in the design.

As a protection against mosquitoes, 2,000 head-nets were purchased and supplied to the enlisted men serving in the Department of Dakota.

The Berlin gloves issued to troops are now purchased by rights and lefts, and are issued in sets of three gloves, two rights and one left hand, or by number of either kind, it being ascertained by experience that in use the right hand glove is worn out when the left hand glove remains good.

Information having reached this office that the white cork helmets supplied to the troops offered a conspicuous mark to the enemy in Indian warfare, measures have been taken to procure 1,000 helmets covered with unbleached brown linen, which will be supplied to the troops next spring.

One thousand campaign or fatigue hats of a drab color, have been purchased and will be supplied next spring to the troops serving in the hot climate of Arizona, New Mexico, and Texas, in place of the black hats now worn.

The enlisted men of the Army objected to the dark blue overshirt, adopted February 3, 1881, and the stock of those shirts on hand numbering 29,314 are being changed into blouses. Overshirts of a different pattern, are now being manufactured and issued to the Army, which meets with general favor.

Specifications were adopted or amended during the year for cotton stockings, card-holders for army bunks, metallic coat, helmet, and cap ornaments, overshirts, and helmets, and a new standard was adopted for dark blue shirting flannel.

Under the act of March 3, 1881, the following-mentioned articles of old pattern clothing have been turned over to the National Home for Disabled Volunteers: 27 uniform hats; 164 campaign hats; 1,476 forage caps; 36,682 great coats; 2,668 uniform jackets; 1,482 sack coats, lined; 1,252 sack coats, unlined; 1,244 blouses, lined; 1,744 blouses, unlined; 35,648 trousers; 766 pairs boots; 3,565 pairs shoes; 22 pairs buffalo overshoes; 314 drawers; 5,846 uniform coats.

Clothing and equipage to the value of \$1,995.18 have been furnished, under instructions of the Secretary of War, to Indian prisoners of war.

During the year loans of camp and garrison equipage, principally tents and flags, have been made, under authority of acts of Congress, and by order of the Secretary of War to various organizations. The expense

to the department on account of these loans for transportation, &c., has been \$3,079.08, and on account of loss and damage to the articles loaned \$1,674.02; total, \$4,753.10.

A large number of the hospital tents in store have been in constant use since May last by various encampments under authority of acts of Congress. The value of these tents is about \$30,000, and the wear and tear by shipment and reshipment and use is very great.

Three hundred and fifteen of these tents were issued to the sufferers from the overflow of the Mississippi River. One hundred and sixteen have been returned to the department, 56 of which are damaged and worthless.

To the Lady Franklin Bay Expedition clothing has been issued to the value of \$775.41.

The following is a statement of the account between the Quartermaster's Department and the military prison at Fort Leavenworth, Kansas:

The balance due to the department from the military prison was as per last report.....	\$967 39
Deduct errors made in the statement of prices charged for articles furnished to the prison in preceding fiscal year.....	79 78
Leaving the correct balance due to the Quartermaster's Department on June 30, 1881.....	887 61
There was issued to the prison by this department during the fiscal year clothing and equipage to the value of.....	16, 241 37
And quartermaster's stores to the value of.....	1, 932 12
Total.....	\$19, 061 10
During the year there was returned to the Quartermaster's Department by the military prison clothing and equipage to the value of.....	\$2, 469 84
The value of labor performed for the department at the prison during the fiscal year was.....	24, 356 10
Total.....	\$32, 825 94

The amount due to the military prison from the Quartermaster's Department on 30th June, 1882, was \$13,764.84.

There were manufactured at the military prison for the Quartermaster's Department during the fiscal year 33,113 pairs of boots, costing \$3.02½ per pair; 18,996 pairs of shoes, costing \$1.94¾ per pair; 2,236 barrack chairs, costing \$1.29 each; and 3,000 corn brooms, costing 23½ c. each.

All the materials for the manufacture of articles for the Quartermaster's Department have been purchased by the governor of the military prison, by contract, at a cost to the appropriation of the department of \$132,135.54.

During the year complaints have reached this office of the quality of the boots and shoes manufactured at the military prison. Upon investigation it is found that these complaints have reference more generally to the style and adaptability of the boots and shoes for use of the Army, and changes in the patterns are now under consideration to secure a good and comfortable marching shoe.

The reports received thus far of the merits of the sewed boots and shoes of the pattern recommended by the Army Equipment Board of 1880, are not favorable to their adoption for general use in the Army.

Reports on improvement for heating tents by means of a stove and converting one of the tent poles into a stove pipe, designed and patented by Lieut. Charles M. Hobbs, Third Artillery, tested at two military posts, have been received, but the apparatus appears to be too frail to be of service in the field.

At the request of the French minister a complete set of uniform clothing of the United States Army has been furnished to Lieut. Col. Favorot de Kerbreck, of the French army, for the Government of France.

At the request of the Marquis de Rochambeau, one of the guests of the United States at the Yorktown Centennial Celebration, a complete set of national and regimental colors, guidons, and standards, have been furnished to him.

The Quartermaster's Department is under obligations to Lieut. Theodore B. M. Mason, U. S. Navy, for the presentation of certain articles of Chilian infantry equipment, which have been placed in the clothing museum at the Philadelphia depot, for preservation.

Orders have been given for the sale at public auction of all dress caps and trimmings on hand, rendered obsolete by adoption of the new helmets, and also of 50,000 rubber blankets and 30,000 rubber ponchos.

A large stock of rubber blankets and ponchos still remain in store, which will be reduced by sales from time to time as the interests of the service require.

A quantity of camp kettles and mess pans were sold to the State of Pennsylvania at regulation prices, upon request of the governor of that State.

For a more detailed report of the operations of this department, in connection with the supply of clothing and camp and garrison equipage during the past fiscal year, I respectfully refer to the report herewith of Lieut. Col. A. J. Perry, deputy quartermaster-general, U. S. A., in charge of clothing supply branch of this office, and the tabulated statements accompanying it.

REGULAR AND MISCELLANEOUS SUPPLIES.

ANIMALS.

One thousand three hundred and sixty cavalry and artillery horses were purchased during the year, costing \$181,531.24; averaging \$133.48 per head. Of these there were purchased in Department of the East, 7; Department of the South, 16; Department of Dakota, 210; Department of the Missouri, 351; Department of the Platte, 156; Department of Texas, 197; Department of California, 318; Department of the Columbia, 59; New York depot, 27; Saint Louis depot, 19.

There were purchased for the Army trains 641 mules and 49 draught horses. The mules cost \$88,946.08, an average per head of \$138.76, and the horses \$9,569.66, an average of \$195.29 per head.

There were sold during the year 1,943 horses and 884 mules. The horses brought \$88,174.65 and the mules \$36,343.97; total, \$124,518.62. This money is deposited in the Treasury to credit of miscellaneous receipts, except the small sum realized from sales of horses to officers.

The following is a summary of the number of animals purchased, sold, died, &c., during the year and the number on hand June 30, 1882:

	On hand July 1, 1881.	Purchased.	Taken up, &c.	Total.	Sold.	Food.	Lost and stolen.	Total sold, died, &c.	On hand June 30, 1882.
Horses.....	10,296	1,459	45	11,699	1,943	518	125	2,586	9,113
Mules.....	16,367	641	53	17,061	884	434	193	1,511	15,550
Oxen.....	29		5	34					29

FUEL, FORAGE, AND STRAW.

The issues of fuel during the year have been 119,384 cords of wood and 39,902 tons of coal.

The issues of forage have been 585,578 bushels of corn, 835,513 bushels of oats, 123,685 bushels of barley, 90,584 bushels of bran, 52,814 tons of hay, 21 tons of fodder, and 2,934 tons of straw.

My attention being called to the provisions of bill 104, presented to the Senate at its last session, in relation to supply of fuel to officers of the Army, I addressed a letter on the subject to Hon. J. D. Cameron, U. S. Senator, dated March 20, 1882, of which the following is a copy:

SIR: I have the honor to submit the following statement showing the hardship growing out of the observance of the existing law concerning the supply of fuel to officers of the Army on duty with troops, and the effect of Senate bill 104, should that bill, with amendments as proposed, become a law, as a remedy for such injustice.

The purchase of fuel by officers of the Army falls unjustly upon those stationed in a severe climate, where more than the regulation allowance is required by the officer's family, since all over and above said allowance must be paid for at *contract* rates.

It is estimated that twenty-four twenty-fifths of the Army is stationed west of the Mississippi River, and upon those troops of the north and northwest the burden of extra fuel must fall.

Where near a market the extra fuel required by officers would be purchased at market rates. There are no markets in Dakota, Idaho, and Washington Territories, nor through the Rocky Mountains.

Fuel has been an allowance to the Army since its first establishment, for the reason that it is so difficult for officers on service at remote posts to supply themselves with fuel duly prepared for individual and family use. If it be objected that the accidents of service give this allowance to officers stationed in cities, who will not really draw and use the fuel but will draw money in lieu thereof as an emolument, it is suggested that a proviso be added to the bill, that where fuel is not drawn in kind by officers on any duty separating them from troops the commutation price per standard cord of oak wood shall not exceed three dollars.

With this proviso there will be no loss to the government, since the present rebate on fuel amounts to that sum on the average. That is, officers are now permitted to buy the regulation allowance of standard oak wood at three dollars per cord, and last year the average cost to the government for hard wood was from five to six dollars per cord.

In all contracts for fuel for troops the amount contracted for now, as the law stands, must include the full allowance for all officers serving with troops, whether they really buy the regulation quantity or not. So that a change in the law will not really affect the first outlay of money in all cases under contracts for fuel; it will only be affected by amounts refunded. This sum in the year ending December 31, 1880, was \$48,938.28.

Commutation for fuel at \$3 per standard cord should be paid by the paymaster, as in case of commutation of quarters. With the modification of the bill fixing the price of commutation at \$3 per standard cord, to prevent any tendency to abuse the liberality of Congress, the law will be of signal benefit to the service.

Very respectfully, your obedient servant,

RUFUS INGALLS,

Quartermaster-General, *Bvt. Maj. Gen. U. S. A.*

On January 31, 1882, this office published by authority, of the Secretary of War, a pamphlet containing a record of the experimental tests of fuel made in this office during the years 1879, 1880, and 1881, a copy of which accompanies this report. The result of these tests changed the equivalents of several kinds of coal in use by the Army, and a new scale of fuel equivalents was prepared and published in General Orders No. 10, Adjutant-General's Office, January 28, 1882.

These experiments have continued during the year, and the results of all fuel tested will be published as an addenda to the report of January 31, 1882.

CONTRACTS.

There were filed in this office during the year 936 contracts: 781 for 155,270 cords of wood; 129,269,011 pounds of coal; 81,559 bushels of charcoal; 36,367,026 pounds of corn; 36,361,914 pounds of oats; 6,847,000

pounds of barley; 2,014,800 pounds of bran; 111,491,936 pounds of hay; and 12,040,406 pounds of straw; 6 for indefinite quantities of fuel and forage; 1 for work at national cemeteries; 29 for clothing, camp and garrison equipage; 1 for water-proof carbolized paper; 9 for horses and mules; 3 for harness materials; 3 for harness; 38 for transportation; 4 for buildings; 2 for army wagons and ambulances; 4 for wagon materials; 1 for carts and linch-pins; 2 for building materials; 2 for mineral-oil tanks; 4 for mineral oil; 5 for lamps; 4 for services; 3 for horse-shoeing materials, and 34 leases.

WAGONS AND HARNESS.

Purchases were made during the year of 40 spring wagons, 2 drays, and 25 ambulance wagons; 36 of the spring wagons manufactured at Leavenworth, Kans., cost \$194.50 each; the 25 ambulance wagons were manufactured at South Bend, Ind., costing \$204.38 each.

The stock of army wagons on hand was sufficient to meet all requisitions during the year.

The six-mule army wagon was adopted many years ago, and has proved to be a valuable and reliable vehicle in the wilderness, but as the country has become settled, it is believed that a lighter wagon may, with economy, be substituted for general use in the Army in time of peace for service at posts and mountainous regions.

As the stock of six-mule wagons becomes exhausted, it is suggested that a lighter and less cumbersome vehicle for four mules be adopted.

There were manufactured for the department at the military prison 26 sets of lead-harness, costing \$15.50 per set; 48 sets of wheel-harness, costing \$17.91 per set; 136 sets of six-mule army wagon harness, complete, costing \$83.75 per set; 127 sets of four-mule ambulance harness, complete, costing \$60.34 per set; and 12 sets of six-mule army wagon harness of extra large size, costing \$121.14 per set.

STOVES.

Five hundred and twenty-one army cast-iron heating stoves were delivered to the department during the year by the Ordnance Department, manufactured at the Rock Island Arsenal, Ill. Their total cost was \$7,117.15.

A new grate has been adopted for the army cast-iron coal heaters, which can be more readily shaken and cleaned.

LIGHTS.

There have been supplied to the Army during the year 5,156 bracket lamps, single burner, and 1,782 pendant lamps, double burner; 2,004 lanterns, with the requisite supply of chimneys, wicks, &c., and 216,414½ gallons of mineral oil, the whole costing \$73,450.

For the safe storage of the mineral oil at the posts and depots, metallic tanks are provided, and 300 tanks of 100 gallons and 50 of 50 gallons capacity each, have been purchased at a cost of \$5,347.

The total expenditure during the year on account of lights for the Army has been \$81,100.

EXPLORING EXPEDITIONS.

Supplies have been furnished by the Quartermaster's Department during the year to the station at Lady Franklin Bay.

MISCELLANEOUS CLAIMS AND ACCOUNTS.

At the beginning of the fiscal year there were on file in this office 12,707 miscellaneous claims, amounting to.....	\$6,944,959 39
364 accounts, amounting to.....	65,301 80
1,242 claims and accounts were filed during the year, amounting to...	336,289 10
Total, 14,313, amounting to.....	7,346,550 29

Of these, 36 claims were passed for \$63,401.19, being a deduction in amount, as presented, of \$12,838.69; 194 claims, amounting to \$25,459.55, were referred to other departments to which they pertained; 184, amounting to \$24,848.82, were referred to the Treasury Department for action of the accounting officers; 212, amounting to \$64,707.71, were rejected.

Two hundred and fifty accounts, amounting to \$12,093.02, were approved, being a reduction in amount as presented of \$419.25; 226, amounting to \$66,799.02, were referred to other departments to which they pertained, and 97, amounting to \$3,653.05, were rejected; total disposed of, 1,199 claims and accounts, amounting, as presented, to \$274,220.30; remaining on hand July 1, 1882, 12,762; miscellaneous claims, amounting to \$6,996,977.87; 220 accounts, amounting to \$75,352.12; total, 12,982, amounting to \$7,072,329.99.

TRANSPORTATION.

There were transported during the year 67,263 persons, 13,185 beasts, and 122,283 tons of material.

The total cost of this movement was \$2,762,052.83, of which \$584,459.42 has been paid for transportation of persons, \$1,543,980.46 for freight, &c., and accounts were outstanding at the close of the year amounting to \$633,612.95, a portion of which have since been paid.

The most considerable movements of troops have been:

First Cavalry.—Companies C, G, I, and M, between the Departments of California, Arizona, and the Columbia.

Third Cavalry.—Headquarters and Companies A, C, D, E, F, G, H, I, K, L, and M from Department of the Platte to Department of the Missouri.

Seventh Cavalry.—Company M from Department of Texas to Department of the Missouri.

Tenth Cavalry.—Companies D, E, F, and M from Department of the Missouri to Department of Texas.

First Artillery.—Headquarters, and Companies A, B, C, D, F, H, K, L, and M from Department of the East to Department of California, and Companies E and I from Department of the East to Department of the Columbia.

Second Artillery.—Company F from Department of Texas to Department of the Missouri, and Company L from Department of the South to Department of the East.

Third Artillery.—Headquarters, and Companies B, C, D, E, F, G, H, I, K, L, and M from Department of the East to Department of the South.

Fourth Artillery.—Headquarters, and Companies A, B, C, D, E, H, and L from Department of California to Department of the East, and F, G, K, and M from Department of the Columbia to the Department of the East.

Fifth Artillery.—Headquarters and Companies A, B, D, E, F, G, H, I, K, L, and M from Department of the South to Department of the East.

First Infantry.—Headquarters and Companies A, B, C, D, E, F, G, I, and K from Department of Texas to Department of Arizona, and Company H from Department of Texas to Department of the Missouri.

Fourth Infantry.—Company A from Department of the Platte to Department of the Missouri.

Sixth Infantry.—Headquarters and ten companies from Department of the Missouri to Department of the Platte.

Eighth Infantry.—Companies B, C, D, F, and K, from Department of California to Department of Arizona and return, and Company I from Department of Arizona to Department of California.

Eleventh Infantry.—Company G from Department of Dakota to Department of the Missouri.

Fourteenth Infantry.—Headquarters and ten companies from Department of the Platte to the Department of the Missouri.

Nineteenth Infantry.—Headquarters and ten companies from Department of the Missouri to Department of Texas.

Twentieth Infantry.—Headquarters and ten companies from Department of Texas to Department of the Missouri.

RAILROAD TRANSPORTATION.

There were transported by rail 54,582 persons, 12,363 beasts, and 77,275 tons of material.

The reported cost for this service is \$1,187,401.70.

In addition to this sum it is estimated that there will be expended \$125,000 in payment of 50 per centum of the earnings of land grant railroads, and the accounts now on file in this office indicate that the earnings of the bonded Pacific railroads, for military transportation, which are withheld by the Secretary of the Treasury, and applied to liquidation of their indebtedness to the United States, will amount to \$1,169,940.22, making the aggregate cost for railroad transportation during the year \$2,482,341.92.

BONDED PACIFIC RAILROADS.

The following tables show the military transportation over the several Pacific railroads named :

Names of companies.	Number of persons transported.	Number of animals transported.	Pounds of freight transported.
Union Pacific (branches and leased lines)	11,691	4,039	55,135,114
Central Pacific (branches and leased lines)	3,777	1,651	27,197,568
Sioux City and Pacific	111	63	1,097,683
Total	15,579	5,753	83,430,365

The cost of this service is stated as follows :

Names of companies.	Amounts of accounts referred to Treasury for settlement.	Amounts of accounts remaining and under examination June 30, 1882.	Estimated amounts of accounts not returned.	Total.
Union Pacific (branches and leased lines)	\$7,841 68	\$529,236 70	\$94,070 44	\$629,148 82
Central Pacific (branches and leased lines)	316,861 56	83,822 22	139,874 68	540,560 46
Sioux City and Pacific	923 89	1,143 31	1,503 74	3,630 94
Total	325,629 13	608,202 23	236,108 86	1,169,940 22

The following is a statement of unsettled accounts with these railroads on 30th June, 1882, in this office or in the Treasury Department, awaiting examination and adjustment:

Names of companies.	In Treasury.	In Quartermaster General's office.	Total.
Union Pacific.....	\$244,263 34	\$1,302,392 35	\$1,546,655 69
Central Pacific.....	589,298 00	81,818 70	674,116 70
Kansas Pacific.....	11,651 97	64,971 70	75,723 67
Sioux City and Pacific.....	4,491 60	1,143 31	5,634 91
	849,704 91	1,452,426 06	2,302,130 97

The total earnings of the Pacific railroads on account of military transportation, from their first opening to June 30, 1882, is stated as follows:

Names of companies.	Amount paid in cash under act of July 2, 1864.	Amount credited on bonds under act of July 2, 1864.	Amount withheld under act of March 3, 1873. (Rev. Stat. 5260.)	Amount withheld under act of May 7, 1878.	Total.
Union Pacific.....	\$1,693,360 69	\$1,693,360 87	\$3,199,232 54	\$771,448 30	\$7,357,402 40
Central Pacific.....	261,106 21	261,106 29	682,274 07	540,690 23	1,745,176 80
Kansas Pacific.....	881,184 17	881,184 23	623,854 21		2,386,222 61
Sioux City and Pacific.....	3,594 28	3,594 29	40,718 20		47,906 77
Total.....	2,839,245 35	2,839,245 68	4,546,079 02	1,312,188 53	11,536,708 58

LAND-GRANT RAILROADS.

The \$300,000 appropriated by the act of Congress approved March 3, 1879, under which law payments to certain land-grant railroads of 50 per centum of the amount found due them for military transportation was authorized, has all been expended for the purpose indicated.

Of the sum appropriated by the act of March 3, 1881, for payment of 50 per centum of the amount found due these roads for transportation during the fiscal year ending June 30, 1880, and prior years, \$275,000, there remained unexpended on June 30, 1882, \$43,590.94, which amount will be required to settle outstanding accounts.

The act of February 24, 1881, making appropriations for support of the Army for the fiscal year ending June 30, 1882, appropriates \$125,000 for payment of 50 per centum for service rendered by these roads. Of this amount \$106,651.54 remained in the Treasury on 30th of June, 1882, but will be exhausted in payment of outstanding accounts.

In the last annual report of the Quartermaster-General attention was called to the failure of Congress to provide funds for payment for services of land-grant railroads during the fiscal year ending June 30, 1881, an estimate for which had been submitted to Congress.

In the act making appropriations to supply deficiencies, &c., approved August 5, 1882, the sum of 125,000 is appropriated for payment of 50 per centum of the amount found due for service of certain land-grant railroads, but the law omits to designate the year for which this money is available, and section 6 of the same law provides that in

all cases [in this act] where no year is indicated it is understood that the appropriation is for the year ending June thirtieth, eighteen hundred and eighty-two, for which deficiencies this act is principally intended.

Further action of Congress is required to make the money available for the payment of accounts for services rendered by land-grant railroads during the fiscal year ending June 30, 1881.

WAGON AND STAGE TRANSPORTATION.

There have been moved by the department, by wagon, by contract or hire, and by army trains, 29,425 tons of military stores at a cost, as reported, of \$975,326.80.

Thirty-two contracts were made and received at this office for wagon transportation during the year.

There were transported by stage 4,346 passengers and 11,313 pounds of stores and baggage, costing \$79,437.46.

WATER TRANSPORTATION.

The movement by water has been 8,335 persons, 882 beasts, and 15,577 tons of material, at a cost of \$519,886.87. The work was done by vessels of established commercial lines, by contract, and by vessels owned and chartered by the United States.

The following-named vessels are in service of the department: Steamer Chester A. Arthur, formerly the Henry Smith, in New York Harbor; steamer Ordnance, employed by Ordnance Department, in New York Harbor; steam-tug Atlantic, at Governor's Island, New York Harbor; steam-tug Resolute, in Boston Harbor; propeller General McPherson, in San Francisco Harbor; steam-launch Thayer, at Fort Adams, R. I.; steam-launch Monroe, at Fort Monroe, Va.; steam-launch General Greene, at Fort Mifflin, Md.; steam-launch Hamilton, at David's Island, New York Harbor; steam-launch General Jesup, at Governor's and David's islands, New York Harbor; steam launch Barrancas, at Fort Barrancas, Fla.; steam-launch Dispatch, formerly the Chelan, at Vancouver depot, Wash.; steam-launch Amelia Wheaton, at Fort Coeur d'Alene, I. T.; steam-launch Lillie Lee, at Fort Totten, Dak.; steamboat General Sherman, on the Upper Missouri and Yellowstone rivers; schooner Matchless, at Key West and Fort Brooke, Fla.

Nineteen vessels of different classes have been employed during the year by charter at a cost of \$50,127.94.

The total expenditure for water transportation during the year is reported at \$200,348.46.

TRANSPORTATION ACCOUNTS AND CLAIMS.

At the beginning of the fiscal year there were suspended and awaiting action in this office 537 accounts and claims for transportation, amounting to \$1,333,687. There were received during the year 1,933 claims, amounting to \$2,417,813.57. One thousand six hundred and eighty-seven, amounting to \$2,053,892.16, were favorably reported for settlement; 130, amounting to \$149,815.23, were reported for rejection; and 64, amounting to \$36,163.78, were suspended in this office for additional evidence; 589, amounting to \$1,511,629.40, were in the office awaiting action at the close of the year.

INDEBTED RAILROADS.

The amount due from railroad companies for material purchased by them from the United States at the close of the war, not compromised

or settled under special laws of Congress, and excluding sums due from two railroads declared insolvent, was, on July 1, 1881, \$1,106,434.55. During the year interest and charges have accrued amounting to \$42,461.96. Payment by military transportation during the year amounted to \$1.46. The debts on June 30, 1882, amounted to \$1,148,895.05.

No credits were given to these railroads on account of postal earnings during the year.

No action appears to have been taken by the executive or legislature of the State of Tennessee in relation to the indebtedness of that State for property purchased for the Edgefield and Kentucky and the Memphis, Clarksville and Louisville railroads, for which the United States holds the bonds of the State in double the value of the property purchased.

A communication was addressed by this office January 27, 1881, to the governor of Tennessee on the subject to which no reply has been received.

NATIONAL MILITARY CEMETERIES.

During the year the post cemetery at Saint Augustine, Fla., has been added to the number of National Military Cemeteries, making the number eighty-one, now under the care and control of the Quartermaster's Department.

Five superintendents were appointed; two died, two resigned, and four were discharged or dismissed during the year. Sixty-seven were in service at the close of the year.

There were 405 interments during the year, and the number of remains in the National Cemeteries at the close of the year was 320,763.

The delivery of head-stones for soldiers' graves in private, village, and city cemeteries under the existing contracts is nearly completed.

Applications for head-stones continue to be received at this office, and to supply them new contracts will have to be made.

There are many graves in the National Cemeteries in which are interred prisoners of war, employés, freedmen, women, and children, which are marked by wooden stakes and head-boards, which are fast disappearing by decay. It is very desirable to preserve the identity of these graves by permanently marking them with a durable head-stone, which can be done at a moderate cost and without special appropriation.

I will call the attention of the Secretary of War to this subject specially at an early day, and submit a project for permanently marking these graves.

A granite archway is in course of erection at the entrance to the Marietta National Cemetery. The improvement of the road leading to this cemetery is desirable.

Brick out-buildings have been built at Fredericksburg, Lebanon, and Corinth cemeteries during the year, and an abundant supply of water has been brought into the Vicksburg Cemetery.

A number of cast-iron tablets have been prepared at the Rock Island Arsenal, Illinois, to be placed in national cemeteries in lieu of the painted wooden ones, which required frequent renewal.

The roadways to the Vicksburg and Fort Scott National Cemeteries have been completed, and that to the Chattanooga Cemetery will be finished at an early date.

Contracts have been let for building the roads leading to the Mound City and New Albany National Cemeteries authorized by Congress, but

the work has not yet been begun. The right of way to the Mound City Cemetery is first to be secured, which the law provides shall be conveyed without expense to the United States. It is understood that the roadway to the New Albany Cemetery has been graded by the city authorities of New Albany, and that the road is prepared for macadamizing by the government as provided by law.

Attention has heretofore been called to the condition of the road between the Aqueduct Bridge and the Arlington National Cemetery. This cemetery, the most beautiful and historic of its kind, is visited by thousands of people yearly, and it seems proper that this public highway should be made and kept passable at all seasons of the year at the expense of the government.

A bill was introduced in the House of Representatives, at its last session, appropriating \$35,000 for enlarging the Cypress Hill National Cemetery, which was favorably reported by the Military Committee but failed to become a law. Burial space in this cemetery is very limited, and it is important that early action be taken to secure additional ground. I have, therefore, submitted an estimate for an appropriation for this purpose.

The question of title to additional land for the Loudon Park Cemetery, at Baltimore, is now before the district attorney, an agreement for purchase having been entered into.

BARRACKS AND QUARTERS.

The construction of 119 new buildings, comprising barracks, officers quarters, stables, store-houses, guard-houses, &c., has been authorized during the year, at an estimated cost of \$175,950. They are at military posts in twenty different States and Territories.

Subject to allotments proving sufficient, repairs have been authorized to existing buildings, for construction and repair of cisterns, and for purchase of tools, at an estimated cost of \$428,508.

The cost of new buildings and repairs is stated as follows:

Department of the East:	
New buildings	\$26,371 00
For repairs, &c.	91,279 00
Department of the South:	
New buildings	175 00
For repairs, &c.	25,013 00
Total Division of the Atlantic	<u>142,838 00</u>
Department of the Missouri:	
New buildings	33,225 00
For repairs, &c.	160,320 00
Department of the Platte:	
New buildings	34,962 00
For repairs, &c.	41,522 00
Department of Dakota:	
New buildings	26,616 00
For repairs, &c.	42,140 00
Department of Texas:	
New buildings	16,281 00
For repairs, &c.	46,908 00
Total Division of the Missouri	<u>342,863 00</u>
Department of California:	
New buildings	3,357 00
For repairs, &c.	38,297 00

Department of the Columbia:	
New buildings	\$3,978 00
For repairs, &c	19,696 00
Department of Arizona:	
New buildings	30,305 00
For repairs, &c	23,124 00
Total Division of the Pacific	118,757 00
Wharves have been repaired at Fort Monroe, Va., at a cost of	5,200 00
West Point, N. Y., at a cost of	625 00
Total cost	5,825 00

HOSPITALS.

The expenditure of \$74,940 has been authorized during the year for construction, repairs, and alterations to hospitals, as follows:

In the Department of the East, twenty hospitals	\$12,845 00
In the Department of the South, six hospitals	5,170 00
Total Division of the Atlantic	18,015 00
In the Department of California, eight hospitals	11,085 00
In the Department of Arizona, four hospitals	2,979 00
In the Department of the Columbia, seven hospitals	1,890 00
Total Division of the Pacific	15,954 00
In the Department of the Missouri, nineteen hospitals	21,763 00
In the Department of Texas, five hospitals	1,702 00
In the Department of the Platte, twelve hospitals	4,073 00
In the Department of Dakota, sixteen hospitals	13,433 00
Total Division of the Missouri	40,971 00

SCHOOL HOUSES.

Authority has been given during the year for an expenditure of \$4,899 for the erection or fitting up of buildings for school or religious purposes at the following military posts:

Fort Bidwell, Cal., costing	\$590 00
Fort Hall, Idaho, costing	881 00
Fort Robinson, Nebr., costing	403 00
Fort Yates, Dak., costing	525 00
Fort McIntosh, Tex., costing	1,500 00
Fort Reno, Ind. T., costing	1,000 00
	4,899 00

SALES OF BUILDINGS.

Certain old buildings and huts at McPherson Barracks, Ga., Fort Hamilton, New York Harbor, Old Fort McKinney and Camp Poplar River, Montana, have been sold during the year, the proceeds of which are deposited in the Treasury to credit of miscellaneous receipts.

The act approved April 7, 1882, authorizes the Secretary of War to sell the military barracks located in the city of Savannah, Ga., and make deed conveying the same, with the lands upon which the barracks are located, to the purchaser or purchasers.

This office has no record of the action taken under the law referred to.

MILITARY SITES IN TEXAS.

The purchase of sites of Forts Brown and Duncan, for which money was specially appropriated by Congress in the sundry civil act of March 3, 1875, has not yet been consummated. No acceptance of the tender of the sums appropriated for the purchase has been received.

The act approved April 16, 1880, appropriating \$200,000 for the purchase of sites and erection thereon of such military posts on or near the Rio Grande frontier as might be deemed necessary by the Secretary of War for the adequate protection thereof, has been amended in the act making appropriations for the support of the Army, approved June 30, 1882, as follows:

And the act entitled "An act making appropriations for acquiring sites and the erection of suitable posts for the protection of the Rio Grande frontier," approved April sixteenth, eighteen hundred and eighty, be amended by striking out the words "on or near the Rio Grande frontier, as may be deemed necessary by the Secretary of War for the adequate protection thereof: *Provided*, That none of said appropriation shall be used for the purposes aforesaid until a valid title to said sites be vested in the United States," and inserting in lieu thereof the words "in the State of Texas as may be deemed necessary by the Secretary of War for the adequate protection of the Rio Grande frontier;" but no part of this appropriation shall be expended until the provisions of section three hundred and fifty-five of the Revised Statutes have been fully complied with.

Since the passage of the act of April 16, 1880, the construction of commercial lines through the State of Texas has materially changed the lines of military operations in that State. The law, as amended, permits the location of military posts at such points as are now required for the protection of the frontier.

POST CEMETERIES.

During the year orders have been given for the removal of remains buried at Fort Porter, N. Y., to Forest Lawn Cemetery, near Buffalo, N. Y., and from Fort Hartsuff, Nebr., to the nearest National Cemetery.

A wooden fence was authorized to be erected around the cemetery at Saint Augustine, Fla., but since the date of the authorization that cemetery has been declared a national one.

A monument has been ordered to be erected at Fort Keogh, Mont., to the memory of officers and soldiers killed in the Indian war on the Yellowstone.

FIRES.

Fires have occurred at seven military posts during the year, in which the department has suffered loss, as follows: At Little Rock Barracks, Ark., a hospital building; at Fort Meade, Dak., Fort Fetterman, Wyo. T., and Fort Leavenworth, Kans., a barrack building at each; at Fort Apache, Ariz., a set of officers' quarters; at Fort Vancouver, Wash., a bakehouse, and at Fort Cœur d'Alène, Ind. T., a shop building.

MILITARY RESERVATIONS DECLARED.

The following military reservations have been declared by the President:

Fort Totten, Dak., boundaries extended August 20, 1881.

Fort Halleck, Nev., October 11, 1881.

Fort Lewis, Colo., January 27, 1882.

Fort Maginnis, Mont., amended reserve, April 14, 1882.

Fort Supply, Ind. T., April 18, 1882.

CLAIMS FOR QUARTERMASTER'S STORES, PRESENTED UNDER ACT OF
JULY 4, 1864.

At the beginning of the fiscal year there remained on hand in this office, awaiting action, 19,791 claims, presented under the act of July 4, 1864, amounting in the aggregate to \$9,576,997.15; and 124 claims, amounting to \$142,916.05, which had been presented to military boards and commissions prior to January 1, 1880, the date upon which the presentation of such claims was barred by statute, were called up during the year.

Of these, 1,389 claims, amounting to \$646,037.80, were transmitted to the Treasury for an allowance of \$296,346.39, and 1,630 claims, amounting to \$1,302,700.82, were rejected.

At the end of the fiscal year there remained on hand, awaiting action, 16,896 claims, amounting in the aggregate to \$7,771,174.58.

One hundred and eighty-four claims of a miscellaneous character, based on certified vouchers, amounting to \$24,848.82, were acted upon and reported to the Treasury, for action of the accounting officers.

The act of June 30, 1882, making appropriations for the support of the Army for the fiscal year ending June 30, 1883, provides that no part of the sum therein appropriated shall be used or expended in the investigation of claims presented under act of July 4, 1864.

The investigation of these claims had heretofore been made by agents of the Quartermaster's Department, under the direction of officers of the Department, located in the districts where the claims originated, and the expense of their employment, transportation, &c., has been borne from the appropriations of the Army.

The act making appropriations for the legislative, executive, and judicial expenses, approved August 5, 1882, provides for the employment by the Quartermaster-General of certain clerks, agents, and others in the investigation of these claims.

In accordance with the provision referred to twenty-five agents have been appointed by the Secretary of War, and have been sent out by this office to investigate the claims, and a corps of clerks are employed in this office in preparing the claims for final action by the Quartermaster-General.

It is believed, with the present force of agents, that the work of investigation of all the claims arising under the act of July 4, 1864, for quartermaster's stores can be closed during the two years succeeding the current fiscal year.

I have the honor to be, sir, very respectfully, your obedient servant,

RUFUS INGALLS,

Quartermaster-General, Brevet Major-General U. S. Army.

THE HON. SECRETARY OF WAR.

REPORT OF THE COMMISSARY-GENERAL OF SUBSISTENCE.

WAR DEPARTMENT.
OFFICE COMMISSARY-GENERAL OF SUBSISTENCE.*Washington, D. C., October 7, 1882.*

SIR: In compliance with your directions of 27th ultimo, I have the honor to submit the following report of the operations of the Subsistence Department for the fiscal year ending June 30, 1882:

RESOURCES AND EXPENDITURES.

The following statement exhibits the aggregate fiscal resources and expenditures of the department for the year mentioned, and the balances remaining unexpended at the close of the fiscal year:

RESOURCES.

Amount in the Treasury to the credit of appropriations of the Subsistence Department on June 30, 1881, as follows:

Subsistence of the Army, 1880	\$22,575 45	
Subsistence of the Army, 1881	2 02	
Claims for quartermaster's stores and commissary supplies, act July 4, 1864, per act March 1, 1881, being portion for commissary supplies	75 60	
		\$22,653 07

Amounts to the credit of officers of the Subsistence Department, and officers doing duty in the Subsistence Department, with the Treasurer, assistant treasurers, and designated depositaries, and in their personal possession on June 30, 1881, as follows:

Subsistence of the Army, 1880	\$169 38	
Subsistence of the Army, 1881	412,327 70	
		412,497 08

Amounts refunded to the Treasury near close of fiscal year 1881, but not carried to the credit of the appropriations by June 30, 1881, since covered in as follows:

Subsistence of the Army, 1879 and prior years	\$2 25	
Subsistence of the Army, 1880	60 00	
Subsistence of the Army, 1881	37 50	
		99 75

Amounts appropriated for the Subsistence Department for the fiscal year ending June 30, 1882, as follows:

Subsistence of the Army, 1882, act February 24, 1881	\$2,250,000 00	
Claims for quartermaster's stores and commissary supplies, act July 4, 1864, per act May 1, 1882, being portion for commissary supplies	5,676 53	
Relief of persons rendered destitute by overflow of Mississippi River	350,000 00	
		2,605,676 53

Amounts collected from various sources and refunded to the appropriations of the Subsistence Department, on the books of the Treasury, during the fiscal year 1882, as follows:

Subsistence of the Army, 1879 and prior years	\$3,39 43	
Subsistence of the Army, 1880	1,285 42	
Subsistence of the Army, 1881	11,804 35	
Subsistence of the Army, 1882	78,341 45	
		93,530 65

Amount refunded on the books of the Treasury under act of March 3, 1875, (18 Stat. Large, 418), as follows:

Subsistence of the Army, 1879, and prior years, transfer account.. \$2,527 74

Amount received by officers of the Subsistence Department, and by officers doing duty in the Subsistence Department, from sales of subsistence stores to the following purchasers during the fiscal year 1882, and taken up for immediate disbursement under the appropriation, Subsistence of the Army, 1882:

Sales to officers of the Army, \$484,523.91; to enlisted men, \$255,-449.97; to companies, detachments, and hospitals, \$179,739.80; to civil employes, \$21,582.27; to Fort Leavenworth military prison, \$17,278.60; to surveyors, \$5,791.84; to railroad engineers, \$1,115.84; to civil employes of Agricultural Department, \$265.54; to Mullan road employes, \$546.65; to steamers, \$90.78; to Indians, \$80.40; Indian commissioners, \$69.75; to Quartermaster's Department, \$171.72; to assistant geologist, \$33.81; of condemned stores at auction, \$3,415.24; of boxes, barrels, &c., \$731.79; of garden seeds and agricultural implements, \$1,051.76; total..... 972,022 67

Amounts taken up by officers doing duty in the Subsistence Department, on account of reclamations for stores lost, damaged, &c., and in correction of errors in their accounts, &c., during the fiscal year 1882:

Subsistence of the Army, 1882..... 2,958 71

Amount in hands of representatives of deceased officer to be collected:

Subsistence of the Army, 1878..... 109 84

Amounts charged against officers (deceased and resigned) on account of funds alleged to have been lost by theft, &c., as follows:

Subsistence of the Army, 1879 and prior years..... 3,000 80

Amounts charged against officers, still in service, on account of funds alleged to have been lost by theft, &c., and for which relief can only be obtained in the Court of Claims, under sections 1059 and 1062, Revised Statutes (including all sums of this character heretofore entered in this statement), as follows:

Subsistence of the Army, 1879 and prior years..... \$2,772 86
Subsistence of the Army, 1880..... 393 96
Subsistence of the Army, 1881..... 265 47
3,432 29

Total resources..... 4,150,028 58

EXPENDITURES.

Amounts expended on the books of the Treasury from the appropriations of the Subsistence Department during the fiscal year 1882, as follows:

Claims for quartermaster's stores and commissary supplies, act July 4, 1864, per act of May 2, 1882, being portion for commissary supplies..... \$5,676 53

Claims for quartermaster's stores and commissary supplies, act July 4, 1864, per act March 1, 1881, being portion for commissary supplies..... 75 60

Subsistence of the Army, 1880..... 61 05

Subsistence of the Army, 1881..... 36,085 75

Subsistence of the Army, 1882..... 25 53

\$41,924 46

Amounts disbursed by officers of the Subsistence Department, and officers doing duty in the Subsistence Department, during the fiscal year 1882, as follows:

Subsistence of the Army, 1880..... \$169 38

Subsistence of the Army, 1881..... 411,388 12

Subsistence of the Army, 1882..... 2,839,895 31

Relief of persons rendered destitute by overflow of the Mississippi River..... 349,918 85

3,661,321 66

Amounts dropped by officers doing duty in the Subsistence Department in correction of errors in their accounts during the fiscal year 1882:

Subsistence of the Army, 1882.....	\$131 10
------------------------------------	----------

Amounts carried to the surplus fund on June 30, 1882:

Subsistence of the Army, 1879 and prior years, transfer	
account, act March 3, 1875 (18 Stat. Large, 418)	\$2,527 74
Subsistence of the Army, 1879 and prior years.....	541 38
Subsistence of the Army, 1880.....	23,850 34
	<hr/>
	26,919 46

Total expenditures.....	3,730,296 71
-------------------------	--------------

BALANCES UNEXPENDED.

Amounts in the Treasury to the credit of appropriations of the Subsistence Department on June 30, 1882, as follows:

Subsistence of the Army, 1881.....	\$9,364 16
Subsistence of the Army, 1882.....	1,428 62
Relief of persons rendered destitute by overflow of Mississippi River	41 12
	<hr/>
	\$10,833 90

Amounts to the credit of officers of the Subsistence Department, and of officers doing duty in the Subsistence Department, with the Treasurer, assistant treasurers, and designated depositaries, and in their personal possession, on June 30, 1882, as follows:

Subsistence of the Army, 1881.....	\$423 02
Subsistence of the Army, 1882.....	399,931 88
	<hr/>
	400,354 90

Amounts refunded to the Treasury near close of fiscal year 1882, but not carried to the credit of the appropriations by June 30, 1882:

Subsistence of the Army, 1880.....	\$0 48
Subsistence of the Army, 1881.....	50
Subsistence of the Army, 1882.....	983 64
	<hr/>
	993 62

Amounts in hands of representatives of deceased officers to be collected:

Subsistence of the Army, 1878.....	\$109 84
Subsistence of the Army, 1882.....	967 25
	<hr/>
	1,077 09

Amounts charged against officers (deceased and resigned) on account of funds alleged to have been lost by theft, &c., as follows:

Subsistence of the Army, 1879, and prior years.....	3,000 89
---	----------

Amounts charged against officers still in service on account of funds alleged to have been lost by theft, &c., and for which relief can only be obtained in the Court of Claims under sections 1059 and 1062, Revised Statutes, as follows:

Subsistence of the Army, 1879 and prior years	\$2,772 86
Subsistence of the Army, 1880.....	333 96
Subsistence of the Army, 1881.....	265 47
Subsistence of the Army, 1882.....	39 18
	<hr/>
	3,471 47

Total balances unexpended.....	\$419,731 87
--------------------------------	--------------

PURCHASE OF SUPPLIES.

Subsistence supplies for the Army are purchased as near the points of consumption as practicable, regard being had to quality and prices and the cost of transportation to the various posts.

During the past year a large portion of the supplies has been obtained as usual in the large market cities of the country, as New York, Chicago, San Francisco, Saint Louis, New Orleans, &c. Fresh meat, and to a great extent flour and a few other articles, have been purchased from producers at or near the points of issue, purchases being preferably so made whenever articles of a suitable quality can be obtained at prices not exceeding the cost of similar articles purchased elsewhere, cost of transportation included.

CONTRACTS AND PURCHASES.

During the fiscal year ending June 30, 1882, 142 newspaper advertisements and 89 circulars and posters inviting proposals for subsistence stores were reported to this office. There were also received 2,259 contracts of various kinds for fresh meats, complete rations, and other supplies required for the subsistence of the Army.

The amounts expended for subsistence stores and property, and for contingencies at the principal purchasing stations during the fiscal year ending June 30, 1882, were as follows:

Purchasing depot at—	For stores.	For property.	For contingencies.	Total.
Baltimore, Md.	\$40,575 18	\$391 28	\$9,177 56	\$50,144 02
Boston, Mass.	173,251 42	278 78	15,956 98	189,487 18
Cheyenne, Wyo.	41,428 72	370 95	4,409 91	46,209 58
Chicago, Ill.	619,300 90	4,688 40	24,666 65	648,675 95
Cincinnati, Ohio.	10,041 86	209 78	11,031 84	21,283 48
Fort Leavenworth, Kans.	188,467 46	4,297 26	17,175 98	209,940 70
Helena, Mont.	27,993 29	440 85	2,626 90	31,061 04
New Orleans, La.	21,915 65	269 21	4,666 02	27,870 88
New York, N. Y.	432,355 89	3,868 96	25,197 79	460,922 64
Omaha, Neb.	25,937 90	3,145 01	13,294 57	42,377 48
Prescott, Ariz.	30,547 73	.....	12,876 11	43,423 84
Saint Louis, Mo.	121,330 85	701 14	9,178 66	131,210 65
Saint Paul, Minn.	151,067 00	5,282 26	15,193 77	171,543 03
San Antonio, Texas.	4,264 75	195 27	11,133 17	15,593 19
Santa Fe, N. Mex.	12,042 38	20 02	9,300 39	21,362 79
San Francisco, Cal.	163,317 27	3,542 07	17,940 17	184,799 51
Vancouver Barracks, Washington Ter.	25,694 05	1,813 32	9,829 49	37,336 86
Washington, D. C.	11,786 47	1,524 66	249,755 61	263,066 74
Totals.	2,101,318 77	30,539 22	464,451 57	2,596,309 56

FRESH BEEF.

The price of beef throughout the country has continued to increase to such an extent as to add materially to the cost of subsisting the Army. It will be seen by the following table the average price paid under contracts for the current fiscal year is twenty-three per cent. greater than for the last, and thirty-six per cent. greater than for the year 1881.

Table showing the average cost prices per pound (independent of quantities purchased) in each State and Territory of fresh beef supplied to the Army on contract during the fiscal years 1881, 1882, and 1883, viz :

	Average price per pound.				Average price per pound.		
	1881.	1882.	1883.		1881.	1882.	1883.
	Cents.	Cents.	Cents.		Cents.	Cents.	Cents.
Maine.....	8.75	10.50	11.75	Michigan.....	10.38	10.95	11.42
Massachusetts.....	8.89	11.38	14.21	Missouri.....	5.50	6.99	7.83
Rhode Island.....	6.90	8.00	10.00	Minnesota.....	5.17	8.15	9.35
Connecticut.....	7.23	8.97	15.00	Nebraska.....	7.21	7.23	8.45
New York.....	7.77	9.54	12.08	Kansas.....	7.40	7.93	7.15
Pennsylvania.....	9.37	12.25	13.94	Indian Territory.....	5.86	5.73	6.16
Maryland.....	7.93	9.00	11.93	Wyoming.....	7.19	7.54	9.10
District of Columbia.....	6.64	8.06	9.50	Dakota.....	8.79	9.50	10.39
Virginia.....	6.24	7.00	9.12	New Mexico.....	7.75	8.32	8.98
Georgia.....	8.85	9.68	12.00	Colorado.....	7.82	7.87	8.77
Florida.....	8.62	12.00	8.62	Utah.....	5.21	6.00	8.62
Alabama.....	9.00	.....	12.50	Montana.....	5.50	6.54	9.18
Louisiana.....	7.75	7.25	12.00	California.....	6.92	7.17	9.00
Arkansas.....	6.75	6.97	6.50	Arizona.....	10.46	10.78	12.24
Texas.....	5.18	5.48	8.47	Washington.....	6.73	6.71	5.38
Kentucky.....	6.50	6.75	11.00	Idaho.....	6.65	6.75	7.05
Ohio.....	6.15	7.25	11.70	Nevada.....	7.75	8.70	12.00
Indiana.....	8.00	9.00	9.62	Oregon.....	6.12	5.84	8.95
Illinois.....	8.00	7.00	13.00				
				Average for each year..	7.39	8.19	10.11

TOBACCO.

During the year plug tobacco to the amount of 135,118 $\frac{7}{8}$ pounds and smoking tobacco to the amount of 83,169 $\frac{1}{2}$ pounds was supplied for sale to officers and enlisted men of the Army.

The sales of the tobacco charged to enlisted men during the year, under section 1149 of the Revised Statutes, for which tobacco returns have been received at this office, amounted to.....	\$105,526 19
Value of tobacco charged in fiscal year 1878; returns therefor received in 1882.....	49 95
Value of tobacco charged in fiscal year 1881; returns therefor received in 1882.....	595 62
Value of tobacco charged in previous years in excess of amounts reported by the Pay Department as collected....	61,044 02
Value of tobacco charged in fiscal year 1883; returns therefor sent to Paymaster-General.....	9,222 07
Total.....	\$176,437 85

Collections on account of tobacco sold to enlisted men have been reported during the fiscal year as follows:

Amount transferred by Pay Department to the appropriation Subsistence of the Army.....	\$107,024 48
Amount not yet transferred by Pay Department to the appropriation Subsistence of the Army.....	37,569 05
Paid by officers on account of failure to charge enlisted men.....	3 01
Total.....	144,596 54
Leaving a balance not yet reported as collected of	\$31,841 31

SUFFERERS BY THE OVERFLOW OF MISSISSIPPI RIVER.

In February, 1882, a great freshet in the Mississippi River and its tributaries caused the overflow of a large section of country, embracing parts of Kentucky, Tennessee, Illinois, Missouri, Arkansas, Mississippi, and Louisiana, causing great destitution and suffering. Immediate relief was asked, and Congress, by joint resolutions approved February 25, March 21, and April 1, 1882, appropriated an aggregate of \$350,000 to be used by the Secretary of War in the purchase and distribution of subsistence stores for the relief of the sufferers. The first joint resolution (that of February 25, 1882) appropriated \$100,000. This Department was charged by the Secretary with the duty of procuring and distributing the supplies. The order for the first purchase was given February 26, and in forty-eight hours supplies, procured by Lieutenant-Colonel Beckwith, assistant commissary-general of subsistence, at Saint Louis, Mo., were on their way by boat to the sufferers. A large quantity of stores were also purchased in New Orleans specially for sufferers by the overflow in Louisiana.

Of the \$350,000 appropriated \$349,958.88 were placed to the credit of Lieut. Col. A. Beckwith, assistant commissary-general of subsistence, at Saint Louis, and Capt. F. F. Whitehead, commissary of subsistence, at New Orleans, with which 3,251,000 rations were purchased and delivered, under instructions from the Secretary of War, to the agents of the various State authorities in the regions where the destitution prevailed. The rations turned over to these agents for the relief of sufferers in the States named were as follows:

	Rations.
Kentucky.....	15,000
Tennessee.....	60,000
Illinois.....	46,000
Missouri.....	61,000
Arkansas.....	438,000
Mississippi.....	665,000
Louisiana.....	1,966,000
Total.....	3,251,000

OBSERVATION AND EXPLORATION IN THE ARCTIC SEAS.

The value of subsistence stores sent to the expeditionary force at Lady Franklin Bay in June, 1882, for the use of that force for the fiscal year 1883, was \$4,210.03.

POINT BARROW EXPEDITION.

The value of subsistence stores sent in June, 1882, for the use of this expedition for the fiscal year 1883, was \$2,968.36.

LOSSES OF STORES AND PROPERTY.

The value of stores reported on returns of subsistence stores for the fiscal year ending June 30, 1882, as lost in transportation and no one found responsible therefor, and as extraordinary wastage, &c., was \$13,947.10, being less in amount by \$8,374.49 than the loss through like causes in the previous fiscal year.

Value of stores lost in transportation during the fiscal year ending June 30, 1882, where responsibility for the loss has been fixed, was.....	\$11,683 40
Amount collected and taken up on officers' accounts, or covered into the Treasury, on above account, was.....	\$10,465 31
Amount collected and not covered in.....	24 48
	<hr/> 10,489 79
Balance to be collected.....	\$1,193 61

The following is a statement of the value of stores reported lost by theft, storm, fire, &c., during the fiscal year ending June 30, 1882:

Where lost.	How lost, per reports.	Date of loss.	Value.
Fort Keogh, Montana.....	By fire.....	July 7, 1881.....	\$39 00
En route to Fort A. Lincoln, Dakota.....	By theft.....	About December 4, 1881.....	375 00
En route on steamer Black Hills.....	By fire.....	July 31, 1881.....	54 40
In campaign against Apache Indians.....	Abandoned.....	In September, 1881.....	79 73
Do.....	From pack-mule, by storm.....	In October, 1881.....	141 97
Fort Thornburgh, Utah.....	By theft.....	In Nov., 1881, and Jan., 1882.....	21 45
En route to Fort Davis, Texas.....	do.....	In December, 1881.....	3 00
Fort Hale, Dakota.....	By death (cattle).....	In Dec., 1881, and Jan., 1882.....	228 06
Fort Laywai, Idaho.....	By theft.....	In February, 1882.....	4 75
En route to Fort Brown, Texas.....	do.....	In February, 1882.....	5 45
En route to Fort Thornburgh, Utah.....	do.....	In February, 1882.....	40 20
Fort Assiniboine, Montana.....	By storm.....	March 28, 1882.....	97 36
Fort Keogh, Montana.....	By theft.....	In March, 1882.....	167 09
En route to Fort Maginnis, Montana.....	do.....	In March, 1882.....	28 00
In campaign against Apache Indians.....	Abandoned.....	In May, 1882.....	4 84
At Rocky Point, Montana.....	By theft.....	Reported in May, 1882.....	126 54
Total.....			<hr/> \$1,416 84

ISSUES TO INDIANS.

Statement of supplies issued to Indians and transferred to Indian agents during the fiscal year ending June 30, 1882.

Date.	To whom issued.	Amount.
July, 1881, to January, 1882.....	To Sioux Indian prisoners of war at Fort Buford, Fort Yates, and Fort Randall, Dakota.	\$21,532 89
October, 1881, to March, 1882....	To Apache Indian prisoners of war at Fort Lowell, Arizona.	1,422 90
November, 1881, to March, 1882..	To White Mountain Apache Indian prisoners of war at Fort Thomas, Arizona.	1,603 84
May, June, 1882.....	To Apache Indian prisoners of war at Fort Union, New Mexico.	226 86
July, 1881.....	To Mesquero Indian prisoners of war at Fort Union, New Mexico.	257 44
July, 1881, to June, 1882.....	To Indian prisoners of war at various posts and of different tribes.	1,256 30
December, 1881, to March, 1882...	To destitute Hualpai Indians at Hackberry and the Willows, Arizona.	6,172 78
July, 1881.....	Transferred to Indian Agent J. A. Stephan, at Fort Yates, Dakota.	2,466 11
August, 1881.....	Transferred to Indian Agent N. W. Berry, at Cantonment on Uncompahgre, Colorado.	105 38
July, 1881, to January, 1882.....	To Indians visiting posts under Army Regulations 2182 and 2183.	430 25
September, 1881, to June, 1882....	To friendly Indians.....	92 54
July, 1881, to June, 1882.....	To destitute Indians.....	1,329 43
Total		\$37,196 72

Reimbursement has been requested of the Interior Department to the amount of \$13,563.86 on account of the issues to Sioux Indian prisoners, and to the value of the issues (\$6,172.78) to the destitute Hualpai Indians, but reimbursement has not yet been made in either case.

The stores transferred to Indian Agents Berry and Stephan, to the value of \$2,571.49, have been paid for.

MISCELLANEOUS ISSUES AND EXPENDITURES.

During the year 558 rations were issued to citizens in military custody, and 1,933 rations were gratuitously issued to destitute citizens at posts on the frontiers.

Subsistence was issued to volunteers in August, 1881, at Ojo Caliente, N. Mex., to the value of \$6; at Fort Craig, New Mexico, \$21.57; and in September, 1881, at Fort Apache, Arizona, \$42.38; a total of \$70.05.

The value of supplies inspected and condemned during the year was....	\$16 653 16
From such of the above as were ordered sold there was realized the sum of.....	3,449 60

Net loss on account of supplies condemned.....	\$13,203 56
--	-------------

Being less in amount, by \$643.81, than the net loss from like causes during the previous fiscal year.

The number of rations purchased for recruits and recruiting parties during the year was 74,118½, for which \$36,921.03 were paid, being at the rate of 49.813 cents per ration, an increase of 1.085 cents per ration over cost of previous fiscal year.

Disbursements for liquid coffee during the year amounted to \$11,302.18; for extra duty service of enlisted men detailed for duty in the Subsistence Department at posts, \$13,579.53; for advertising, \$6,813.66.

ACCOUNTS AND RETURNS.

There were received during the fiscal year ending June 30, 1882, from 581 officers performing duty in the Subsistence Department, the following accounts and returns, viz:

Accounts current	2,836
Returns of provisions	2,228
Returns of commissary property.....	912
Total received	5,976

During the same period there were examined in this office, and forwarded to the Third Auditor for settlement, the following:

Accounts current	3,114, accompanied by 47,235 vouchers.
Return of provisions.....	2,518, accompanied by 37,028 vouchers.
Returns of commissary property.....	1,068, accompanied by 2,557 vouchers.
Total	6,700, accompanied by 86,820 vouchers.

On hand at the close of the fiscal year ending June 30, 1882, awaiting examination:

Accounts current.....	246
Returns of subsistence stores.....	227
Returns of subsistence property.....	2
Total.....	475

In connection with the above there were 4,937 letters written, and 1,079 referred by endorsements, and 354 papers copied.

In addition to the above, returns of official postage stamps to the number of 651, accompanied by 1,781 vouchers, have been examined and filed.

CLAIMS.

Act of July 4, 1864 (section 300 B, Revised Statutes).

There were at the commencement of the fiscal year ending June 30, 1882, on file in this office, awaiting examination, 1,862 claims under the third section of the act of July 4, 1864, and the acts and joint resolutions supplementary to said act; during the year 15 more were received, making in all 1,877 to be acted upon. Formal decisions were rendered during this period in 1,161 cases of this class of claims. Of these, 84, amounting to \$18,279.36, were allowed in the sum of \$6,247.67, and recommended to the Third Auditor of the Treasury for payment, and 1,077, amounting to \$632,717.58, were rejected.

Of the number of claims received under this act, one, regarded as a purchase-account, was transferred to miscellaneous claims for examination under that class. There remained on hand July 1, 1882, awaiting examination and decision under this act, 715 claims.

Joint resolution of July 25, 1866, and third section of act of March 2, 1867.

At the commencement of the fiscal year there were on file in this office 2,346 claims for commutation of rations to Union soldiers while held as prisoners of war, and during the year 1,085 claims were received, making a total of 3,431 claims of this class for examination, &c. Of these, 474 were not reached for examination; 1,338 were partially examined; 1,919 examined and decided, of which 1,131 were rejected, and 788, amounting to \$23,431.25, were allowed and recommended to the Third Auditor of the Treasury for payment. Besides this, 6 rejected (old) claims were re-examined upon additional evidence and again rejected.

Miscellaneous claims.

In addition to claims under the above-mentioned special acts of Congress, there were at the commencement of the fiscal year 491 miscellaneous claims on hand, and during the year 335 claims were received. Of these 826 claims, 122 were recommended for payment in the aggregate sum of \$8,030.36; 201 were rejected; 448 were partially examined; and 55 were not reached for examination. Besides these, 20 rejected (old) claims were re-examined upon additional evidence, 7 of which, amounting to \$131.72, were allowed, and 13 again rejected.

Letters and endorsements.

In connection with the three classes of claims above mentioned, 13,010 communications were sent out during the year. Besides this, many briefs of evidence and extended examinations of official records were made.

CLERICAL AND OTHER FORCE.

The appropriation for the clerical and other force in the office of the Commissary-General of Subsistence, act of August 5, 1882, is \$43,480, and provides for 1 chief clerk, 1 clerk of class four, 3 clerks of class three, 4 clerks of class two, 14 clerks of class one, 9 clerks, at \$1,000 each, 1 assistant messenger, 2 watchmen, and 2 laborers; a total of 37.

I recommend that this force be re-graded, in the appropriation act for the fiscal year 1884, as follows: 1 chief clerk, 2 clerks of class four, 3 clerks of class three, 4 clerks of class two, 11 clerks of class one, 10 clerks of class \$1,000, 1 messenger, 1 assistant messenger, 2 watchmen, and 2 laborers; a total of 37. I make this recommendation in the interests of the public service, and hope it may meet the favorable consideration of Congress. It makes no change in the total force, involves an increase of the appropriation of only \$40, and will give needed grading to deserving employes of this office.

COMMISSARY-SERGEANTS.

There were, on June 30, 1882, one hundred and forty-five commissary-sergeants stationed at the various military posts throughout the country. Each of them renders to this office, monthly, a personal report, which is forwarded through the post commissary under whom he is serving, and whose endorsement thereon shows whether the commissary-sergeant has properly performed his duties during the month. As indicated by these reports, the sergeants, with very few exceptions, have rendered efficient service, performed their duties faithfully, and generally conducted themselves in a satisfactory manner.

DUTIES AND STATIONS OF OFFICERS OF THE SUBSISTENCE DEPARTMENT.

During the year the officers of the Department have been actively employed, and have performed the duties to which they were assigned with their accustomed zeal and efficiency. Their duties and stations on the 7th of October, 1882, will appear from the roster hereto appended.

Very respectfully, your obedient servant,

R. MACFEELY,

Commissary-General of Subsistence.

THE SECRETARY OF WAR.

REPORT OF THE SURGEON-GENERAL.

WAR DEPARTMENT,
SURGEON-GENERAL'S OFFICE,
Washington, October 1, 1882.

SIR: I have the honor to submit the following statement of finances and general transactions of the Medical Department of the Army for the fiscal year ending June 30, 1882:

FINANCIAL STATEMENT.

Medical and Hospital Department, 1880:

Balance from previous fiscal year.....	\$3,292 06	
Deduct amount deposited October 30, 1880, by Captain Henry Johnson, M. S. K., U. S. A., with the assistant treasurer at San Francisco, and through a clerical error in previous statement reported as still in his hands.....	284 72	
		\$3,007 34
Refunded during the year		21 50
Total to be accounted for.....		3,028 84
Disbursed during the year.....	\$391 70	
Carried to the surplus fund.....	2,637 14	
		3,028 84

Medical and Hospital Department, 1881:

Balance from previous fiscal year	57,105 43	
Refunded during the year.....	146 64	
Total to be accounted for.....	57,252 07	
Disbursed during the year.....	56,599 48	
Balance June 30, 1882.....	652 59	

Medical and Hospital Department, 1882:

Appropriated by act of February 24, 1881	200,000 00	
Received for supplies sold.....	14,406 10	
Recovered for property lost.....	13 08	
Total to be accounted for.....	214,419 18	
Disbursed during the year.....	182,409 80	
Balance June 30, 1882—required for the settlement of unpaid bills.....	32,009 38	

Artificial limbs, 1877:

Balance from previous fiscal year.....	3,476 90	
Drawn from the Treasury by transfer warrant.....	8 95	
	3,485 85	
Disbursed during the year.....	\$8 95	
Carried to the surplus fund.....	3,476 90	
	3,485 85	

Artificial limbs, 1878:

Balance from previous fiscal year	\$1,901 77	
Carried to the surplus fund.....	1,901 77	

Artificial limbs, 1879:

Balance from previous fiscal year.....	30,869 81	
Carried to the surplus fund.....	30,869 81	

Artificial limbs, 1880:

Balance from previous fiscal year.....	\$59,815 16
Disbursed during the year.....	\$54 32
Carried to the surplus fund.....	49,859 90
	<hr/>
Balance June 30, 1882.....	49,914 22
	<hr/>
	9,900 94
	<hr/>

Artificial limbs, 1881:

Balance from previous fiscal year.....	29,958 71
Disbursed during the year.....	26,688 90
	<hr/>
Balance June 30, 1882.....	3,269 81
	<hr/>

Artificial limbs, 1882:

Appropriated by act of March 3, 1881.....	175,000 00
Disbursed during the year.....	102,081 15
	<hr/>
Balance June 30, 1882.....	72,918 85
	<hr/>

Appliances for disabled soldiers, 1879:

Balance from previous fiscal year.....	2,887 00
Carried to the surplus fund.....	2,887 00
	<hr/>

Appliances for disabled soldiers, 1880:

Balance from previous fiscal year.....	710 00
Carried to the surplus fund.....	710 00
	<hr/>

Appliances for disabled soldiers, 1881:

Balance from previous fiscal year.....	2,476 00
Disbursed during the year.....	107 00
	<hr/>
Balance June 30, 1882.....	2,369 00
	<hr/>

Appliances for disabled soldiers, 1882:

Appropriated by act of March 3, 1881.....	3,000 00
Disbursed during the year.....	250 00
	<hr/>
Balance June 30, 1882.....	2,750 00
	<hr/>

Medical and Surgical History:

Balance from previous fiscal year.....	13,388 15
Disbursed during the year.....	4,288 00
	<hr/>
Balance June 30, 1882.....	9,100 15
	<hr/>

Museum and Library, 1881:

Balance from previous fiscal year.....	619 86
Disbursed during the year.....	619 86
	<hr/>

Museum and Library, 1882:

Appropriated by act of February 24, 1881.....	10,000 00
Disbursed during the year.....	8,715 78
	<hr/>
Balance June 30, 1882—required for the settlement of unpaid bills.....	1,284 22
	<hr/>

Expended in providing trusses for ruptured soldiers, seamen, and marines under sections 1176 to 1178, Revised Statutes, extended by act of March 3, 1879

5,057 08

There were furnished during the fiscal year:

In kind:

Trusses	702
Artificial legs	122
Artificial feet	2
Apparatus for legs	4
Artificial arms	6
Artificial hands	1

Commuted:

Artificial legs	428
Artificial feet	15
Apparatus for legs	225
Artificial arms	668
Artificial hands	3
Apparatus for arms	376

HEALTH OF THE ARMY DURING THE FISCAL YEAR ENDING JUNE 30, 1882.

The monthly reports of sick and wounded received at this office up to September 8 represent an average mean strength of 20,778 white, 2,265 colored troops, and 245 Indian scouts.

Among the *white troops* the total number of cases of all kinds taken on the sick list was 34,880, being at the rate of 1,679 per 1,000 of mean strength.

Of this number, 30,353, or 1,461 per 1,000 of strength, were taken on sick report for disease, and 4,527, or 218 per 1,000 of strength, for wounds, accidents, and injuries of all kinds.

The average number constantly on sick report during the year was 942, or 45 per 1,000 of mean strength.

Of these, 762, or 37 per 1,000 of strength, were constantly under treatment for disease, and 180, or 8 per 1,000 of strength, for wounds, accidents, and injuries.

The total number of deaths from all causes reported among the white troops was 216, or 10 per 1,000 of mean strength. Of these, 141, or 7 per 1,000 of strength, died of disease, and 75, or 3 per 1,000 of strength, of wounds, accidents, and injuries.

The proportion of deaths from all causes to cases treated was 1 to 161.

The total number of white soldiers reported to have been discharged the service on "surgeon's certificate of disability" was 848, or 41 per 1,000 of mean strength.

Among the *colored troops* the total number of cases of all kinds reported was 4,099, or 1,810 per 1,000 of mean strength.

Of these, 3,481, or 1,537 per 1,000 of strength, were cases of disease, and 618, or 273 per 1,000 of strength, were wounds, accidents, and injuries.

The average number constantly on sick report was 100, or 44 per 1,000 of strength; of whom 77, or 34 per 1,000 of strength, were under treatment for disease, and 23, or 10 per 1,000 of strength, for wounds, accidents, and injuries.

The total number of deaths of colored soldiers reported from all causes was 25, or 11 per 1,000 of mean strength. Of these, 16, or 7 per 1,000 of strength, died of disease, and 9, or 4 per 1,000 of strength, of wounds, accidents, and injuries.

The proportion of deaths from all causes to cases treated was 1 to 164.

The total number of colored soldiers reported to have been discharged on "surgeon's certificate of disability" was 98, or 43 per 1,000 of mean strength.

The total number of cases reported among the Indian scouts was 56; being at the rate of 229 per 1,000 of mean strength.

Of these 43 were cases of disease and 13 of wounds, accidents, and injuries.

The total number of deaths was 9; 4 from disease and 5 from wounds.

During the past fiscal year 2,693 monthly reports of sick and wounded have been received from the medical officers in charge of the various posts and stations.

These have been examined, consolidated on statistical sheets for use, and the deaths and discharges entered in the appropriate alphabetical registers.

Nine hundred and fifty-five reports of the medical examination of recruits were received and filed, and 823 monthly meteorological reports were received from medical officers and transmitted to the Chief Signal Officer of the Army for his use.

WORK PERFORMED IN THE RECORD AND PENSION DIVISION.

The total number of official demands upon this division during the fiscal year, for information as to the cause of death in the case of deceased soldiers and the hospital record of invalids was 61,630, being 6,590 in excess of similar applications during the previous year. Twenty-one thousand four hundred and eight applications remained unanswered on the first of July, 1881, making in all 83,038 to be disposed of during the year. Of the new cases, 59,166 were from the Commissioner of Pensions, 2,209 from the Adjutant-General of the Army, and 255 from miscellaneous sources. Search has been made and replies furnished to the proper authorities in 61,097 cases. Of these, 58,692 were to the Commissioner of Pensions, 2,186 to the Adjutant-General of the Army, and 201 to miscellaneous applicants, leaving 21,959 unsearched cases. As this is an excess of only 551 cases over the number remaining on hand at the date of my last report, it will be seen that although the office has not been able to make any permanent decrease in the number accumulated during previous years, it has proved itself competent to deal with an increase of 20,000 cases over that of the last fiscal year, and has very nearly kept pace with the increased requirements of the Pension Office.

Since the addition to the clerical force engaged upon pension work in this office provided by the act of March 3, 1881, and mentioned in the last report of the Surgeon-General, there has been not only a considerable increase in the aggregate number of reports furnished to the Commissioner of Pensions, but it is gratifying to be enabled to report an increase in the number of cases that have been disposed of by the mean number of clerks exclusively employed upon the technical work of searching the hospital records. This increase has risen fully 33 per cent. over and above the average number of cases searched each day by the same force during the previous year; and considering the fact that the men employed exhibit every degree of aptitude in learning this peculiar and difficult work, the figures will serve to illustrate that with a new force only a gradual acquisition of skill is to be anticipated, and that a proper degree of accuracy and celerity is attained only by great familiarity with these hospital records, supplemented by a special and often protracted course of training.

I would also refer in this connection to a progressive increase in the

difficulty of search for record of the hospital treatment of soldiers who served in the late war. As time elapses claimants appear to be more than ever unable to furnish definite information concerning the date and place of their treatment. There is much evidence at hand to establish the fact that this difficulty does not arise from defective memory alone. It is to be regretted that there is too often a manifest failure on the part of those preparing declarations for pensions in pressing inquiries upon these important points, as it is the cause of much of the delay hitherto charged to this office.

Increasing demand for replies to the Commissioner of Pensions has heretofore prevented the detail of any sufficient number of clerks upon the very important work of copying the large number of worn and mutilated records now on hand and rapidly accumulating. With the prospective addition to the clerical force, it is intended that this work shall at once be taken up, and the preservation of evidence contained in these important volumes be made secure by their duplication, so far as may be practicable and consistent with the object for which the increase of force is provided, viz, the final adjudication of all pension claims within a limited number of years.

One hundred and thirty-nine volumes of hospital records were received from discontinued posts, commands, and other sources during the year, making the total number of such volumes on file, 18,222. The classification of these records is complete, and the hospital designation, description of contents, and period covered by every book is recorded in a series of State, army corps, and department indexes, numbering 60 volumes. The wear upon these indexes has been so rapid that it has become necessary, by means of numerous hektograph copies, to insure their preservation. Twenty-two volumes, 15 copies to each, have already been made, and the remainder will probably be completed during the coming fiscal year.

The subject of a complete alphabetical index of all names borne on the records of this office has been under consideration for several years, but after mature deliberation it is concluded that the task is impossible of accomplishment without an entire suspension of all ordinary business.

At such time as the proper men could be spared, a special examination, with the view of enumerating the names borne on records-in-chief, has been undertaken. Of registers of sick and wounded, including prescription books that embrace dates not otherwise covered, there have been examined and counted 4,547 volumes, which represent, in part only, the records of 1,461 general, post, field, and miscellaneous hospitals, and 765 regimental hospitals. On these registers-in-chief there already have been enumerated 7,413,847 names of sick, wounded, and deceased soldiers. And when it is considered that these are contained in less than one-fourth of the number of volumes known to be on file, the magnitude of the work projected will be more justly appreciated. That something has been accomplished in this direction, the following figures will definitely show; but it is work that was commenced before the close of the war, and has continued at varying intervals up to date: One million one hundred and seventy-two thousand one hundred and twenty-two names are now arranged in alphabetical order; 1,287,504 are indexed; 146,920 are partially indexed; 534,507 names are arranged in the order of States or regiments, and 79,559 in order of companies, making a grand total of 3,220,612 names that may be said to be filed in convenient shape for every-day reference.

DIVISION OF SURGICAL RECORDS.

In the division of surgical records the principal work has embraced the examination of the surgical reports of medical officers of the Army, their acknowledgment and classification, and the registration of the data contained in the same; the correspondence pertaining to the Army Medical Museum, and the continuation of the publication of the Third Surgical Volume of the Medical and Surgical History of the War.

Wounds, accidents, and injuries to the number of 5,158 were recorded in Class V of the monthly reports of sick and wounded during the fiscal year ending June 30, 1882, in a mean strength of the Army of 23,288; 89 deaths from wounds received in action or from other violent causes were reported, a proportion of 3.8 per 1,000 of the mean strength.

Two thousand and sixty-six surgical reports were received from medical officers in charge of post hospitals or detachments of the Army in the field or expeditions against hostile Indians; 1,580 were regular quarterly reports, 10 were reports of casualties received in action, 33 were special reports, and 443 were of a miscellaneous nature.

Classified returns of wounds and injuries, together with lists of wounded, were received of ten engagements with hostile Indians, in which 28 soldiers were killed and 22 wounded, as follows:

1. At Carrisso Cañon, N. Mex., August 12, 1881, Company K, Ninth Cavalry, in a fight with Indians, had 2 men killed and 3 men wounded; the casualties were reported by Acting Assist. Surg. F. S. Dowey.

2. In a skirmish with Indians at Cuchillo Negro, N. Mex., August 15, 1881, 2 privates of Company I, Ninth Cavalry, were reported wounded by Acting Assist. Surg. M. G. Cockey.

3. On August 19, 1881, a fight occurred at Cavalaus Cañon, 45 miles southeast of Fort Bayard, N. Mex., between Apache Indians and a detachment of 44 men of Companies B and H, Ninth Cavalry. Assist. Surg. C. E. Munn reports that Lieut. G. W. Smith, commanding the detachment, and 3 enlisted men were killed, and 3 enlisted men were wounded.

4. Assist. Surg. George McCreery, whose gallant and meritorious conduct in the field received especial official notice, reports that Col. Eugene A. Carr, Sixth Cavalry, with 5 commissioned officers, 79 enlisted men of Companies E and D, Sixth Cavalry, 73 men of Company A, Indian scouts, and the post pack train, left Fort Apache, Ariz., on August 29, 1881, to arrest the medicine man, Nock-ay-del-kin-ne. On the evening of August 30, when the command was going into camp at Cibicu Creek, the Indian company, with other Coyotero Apaches, fired into the troops, killing Capt. E. C. Hentig and 3 privates of Company D, Sixth Cavalry, and mortally wounding 3 other privates of the same company; a sergeant and a private also received severe flesh wounds. The 3 men mortally wounded died on the day of the injury. Company A, Indian Scouts, after firing into the troops deserted to the enemy.

5. Assist. Surg. McCreery reports that a private of Company D, Sixth Cavalry, and 2 privates of Company D, Twelfth Infantry, were murdered by Indians near Fort Apache, Ariz., while returning from Black River, on or about September 1, 1881, and that in a skirmish with Indians, at Fort Apache, on September 1, Lieut. C. G. Gordon, Sixth Cavalry, was wounded.

6. Act. Assist. Surg. A. S. Adler reported that in a fight with Chiricahua Indians, near Cedar Springs, Ariz., on October 2, 1881, a sergeant of Company F, Sixth Cavalry, was killed, and a private of the same troop, and 2 privates of Company G, First Cavalry, were wounded. A

report from Assist. Surg. J. B. Girard gives as additional casualties of this engagement: 3 privates of the Sixth Cavalry, and 1 private of Company B, Eighth Infantry, killed by the Indians while repairing the military telegraph line between Cedar Springs and Fort Grant, Ariz., on October 2, 1881.

7. Acting Assist. Surg. W. Whitney reports that in an engagement between United States troops and Apache Indians, near South Pass, Dragoon Mountains, Ariz., on October 4, 1881, 3 privates of Company F, Ninth Cavalry, and an Indian scout were wounded.

8. On April 23, 1882, at Horse Shoe Cañon, Ariz., in a fight between Troops C and G, Fourth Cavalry, and hostile Indians, 1 private of Company C was killed, and a sergeant of Company C and a private of Company G were wounded. The sergeant's wound proved fatal on April 25. Acting Assist. Surg. W. Whitney reported the casualties.

9. In an engagement between the first battalion of the Fourth Cavalry and a body of Indians at Stein's Peake Range, N. Mex., April 23, 1882, 4 Indian scouts were killed and 2 privates of Company H, Fourth Cavalry, were wounded. Acting Assist. Surg. M. G. Cockey, who accompanied the troops, remarks that "the bodies of the 4 Indian scouts were so badly burned by the hostiles that it was impossible to find out the location of their wounds, although I examined them closely."

10. Acting Assist. Surg. W. C. Bruns reports that a private of Company M, Sixth Cavalry, was killed and another wounded in an engagement with Indians at Hatchet Mountain, Ariz., April 28, 1882.

Ten thousand one hundred and sixty-eight cases of injuries and operations reported in the Army since the publication of Circular No. 3, War Department, Surgeon-General's Office, Washington, August 17, 1871, had been collected at the close of the fiscal year ending June 30, 1881. To these have been added 921 cases, viz, 114 injuries of the head, 36 of the face, 11 of the neck, 151 of the trunk, 167 of the upper extremities, 124 of the lower extremities, 138 simple fractures, luxations, and sprains, and 180 miscellaneous injuries, making a total of 11,089 cases, namely, 2,613 injuries of the head, 392 of the face, 80 of the neck, 804 of the trunk, 1,933 of the upper extremities, 1,274 of the lower extremities, 2,691 simple fractures, luxations, and sprains, and 1,302 miscellaneous injuries.

In 866 cases of injuries received during the war, additional information in regard to remote results has been collected in the Pension Office. In 2,323 instances, information from casualty lists and reports of operations has been furnished in cases of applications for pensions.

PROPERTY DIVISION.

Medical and hospital supplies.—The money value of the medical and hospital supplies issued during the fiscal year ending June 30, 1882, was \$181,333.80.

Owing to reductions heretofore made by the Committee on Appropriations from the amounts estimated by the Surgeon-General as required for the Medical and Hospital Department of the Army, it has been necessary to issue for use certain medical and hospital supplies left over from the stock on hand at the close of the war of the rebellion, which have to a greater or less extent deteriorated by age, and, though innocuous, are of very uncertain strength and therefore not, in the proper sense, fit for issue. Even this expedient will not avail and cannot be depended on in the future, as these supplies are now exhausted by issues and must be replaced by purchases. An increase of \$50,000 over the

amount usually appropriated for this purpose will be required during the fiscal year ending June 30, 1884, and estimate of appropriations will therefore be submitted in the sum of \$250,000; which amount, it is thought, will be barely sufficient to meet the necessities of the service during the year, and which I respectfully and urgently request may be allowed.

(STATEMENT OF CLERICAL WORK.)

Letters received, recorded, and indexed.....	4,536
Indorsements written.....	2,346
Indorsements recorded and indexed.....	781
Indorsements charged.....	1,765
Letters written.....	2,041
Letters recorded and indexed.....	2,041
Accounts-current recorded, examined, and forwarded to the accounting officers of the Treasury.....	85
Abstracts of disbursements, and vouchers pertaining to same, recorded in detail and examined.....	1,324
Subvouchers, pertaining to same, examined.....	768
Accounts and claims for medical attendance and medicines for sick of the Army.....	307
War claims examined, acted upon, and transmitted to the Second Auditor for the action of the accounting officers of the Treasury.....	59
Accounts of sales examined and forwarded to the Second Auditor.....	80
Certificates of deposit recorded and transmitted to Secretary of the Treasury..	81
Weekly statement of public funds recorded and forwarded to Treasurer of the United States for certification.....	256
Post hospital returns examined and settled.....	411
War returns examined and settled.....	17
Purveying depot returns examined and settled.....	11
Post hospital returns examined and suspended.....	17
Purveying depot returns examined and suspended.....	4
Certificates of non-indebtedness sent.....	41
Post hospital returns recorded.....	422
War returns recorded.....	17
Post hospital returns prepared.....	11
War returns prepared.....	7
Certificates of correctness sent.....	422
Settled returns scheduled, labeled, numbered, recorded, and filed.....	1,867
Statement prepared showing the amount of medical and hospital property issued from purveying depots to post hospitals during the fiscal year, folio pages.....	59
Examinations of property papers for reports made on inquiry cards, from administrative and miscellaneous branch.....	789

TRUSSES.

In carrying out the laws for furnishing trusses some cases of hardship are found. Persons who held commissions as officers and all persons who were disabled previous to the war for the suppression of the rebellion are absolutely, and those disabled subsequently to this war are, practically, excluded from the benefits of these laws, although these persons are pensioned on account of hernia.

It is desirable that the issue of trusses shall correspond to the issue of artificial limbs, as was probably the intention of Congress, that is, that a truss shall be furnished to every one who is ruptured in the line of his duty while serving in the Army or Navy.

LIBRARY.

The library of this office is devoted entirely to medicine and its branches, no purchases being made of books belonging to general or miscellaneous literature. The works in it are not duplicated in any other library in Washington, excepting only those copyright American

medical books of which specimens are deposited with the Library of Congress. Many of these are also presented to this library, so that this small duplication causes very little expense. No advantage would accrue from merging this library with any other; its size and importance and the demands made upon it being such as to require the services of a specially skilled medical officer to make it as useful as it should be, and to preserve for it the interest of the medical profession of the country, to which much of its completeness is due.

The additions to the library during the past year include about 3,200 volumes and 3,500 pamphlets, making the total number in the collection about 57,000 volumes and 63,700 pamphlets.

The printing of volume III of the Index Catalogue has been completed and the edition distributed. This volume ends with the end of letter D. The manuscript of volume IV, which will include the letter E and part of F, is nearly ready, and the first part of it is now going to press. The use of the library by the medical profession throughout the country is steadily increasing, and the requests for information made upon it involve much research and extensive correspondence. Over three hundred such requests were received during the year, coming from all parts of the United States, and the total number of letters sent from this branch alone was over 1,000.

An estimate has been forwarded for printing volume V of the Index Catalogue, and it is specially desirable that this appropriation be granted in order that no delay may occur in the issue of this work, the practical value and utility of which becomes more and more apparent as successive volumes are published.

ARMY MEDICAL MUSEUM.

Surgical section.

Specimens in the museum, July 1, 1881.....	7,075
Specimens in the museum, July 1, 1882.....	7,130
Increase during the year	55

Medical section.

Specimens in the museum, July 1, 1881.....	1,570
Specimens in the museum, July 1, 1882.....	1,615
Increase during the year	45

Microscopical section.

Specimens in the museum, July 1, 1881.....	8,471
Specimens in the museum, July 1, 1882.....	8,496
Increase during the year	19

Anatomical section.

Specimens in the museum, July 1, 1881.....	2,121
Specimens in the museum, July 1, 1882.....	2,138
Increase during the year	17

Section of comparative anatomy.

Specimens in the museum, July 1, 1881.....	2,448
Specimens in the museum, July 1, 1882.....	2,467
Increase during the year	19

Miscellaneous section.

Specimens in the museum, July 1, 1881.....	707
Specimens in the museum, July 1, 1882.....	724
Specimens received.....	29
Specimens transferred.....	3
Increase during the year.....	17

The contributors to the Army Medical Museum were 5 surgeons, 43 assistant surgeons, 1 medical storekeeper, 6 acting assistant surgeons, 2 hospital stewards, and 45 civilians.

During the fiscal year ending June 30, 1882, 13,250 visitors registered at the Army Medical Museum.

Surgical History of the War of the Rebellion.—Ninety-eight drawings on wood, 98 engravings, 2 chromo-lithographs, and 1 black and white lithograph were prepared for the third surgical volume of the Medical and Surgical History of the War, and 167 pages of this volume were completed, advancing the work from page 535 to 702, inclusive. The manuscript of this volume is now sufficiently advanced to allow the volume to be completed and laid before Congress during the coming session if no unforeseen delay in the printing occurs.

A NEW FIRE-PROOF BUILDING A NECESSITY FOR THE ARMY MEDICAL MUSEUM AND LIBRARY.

The great necessity for a fire-proof building suitable for the proper accommodation of the Army Medical Museum collection and the library grows, yearly, more imperative.

The present building is over-crowded and unsuitable for the purposes intended, while its general insecurity against accident and fire places in extreme jeopardy collections which, if destroyed, would be an irreparable loss not only to the United States, but to the world.

The museum has attained a world wide celebrity; is second to none in the number and value of specimens illustrating military surgery and the diseases of armies, while its sphere of practical usefulness to the medical profession of the country is unlimited.

It is therefore hoped that Congress may be induced to appreciate its great value and importance and provide for the fire-proof building required to place the collections beyond the chance of loss or injury.

MISCELLANEOUS.

The requirements of the Army as regards medical officers during the past year have been as follows:

Number of permanent posts.....	156
Number of temporary posts and substations.....	29
Total.....	185
Number of military expeditions in the field during the year.....	7

The services of 12 medical officers were required with these expeditions, and there were also 58 medical officers reported to this office as having been on duty with scouting parties and on other field service during the year.

The Army medical examining board convened in New York City on the 7th of November, 1877, for the examination of assistant surgeons for promotion, and of candidates for appointment in the medical corps

of the Army, was continued in session until June 30, 1882, on which date it was dissolved by orders from the War Department. Since date of last report ten candidates have been found qualified and approved by the board, of whom nine have been appointed and commissioned assistant surgeons and one declined appointment.

The following is a recapitulation of the work performed by the Army medical examining board during its session :

Number of assistant surgeons examined for promotion.....	58
Number of candidates for appointment in the medical corps invited to appear for examination.....	258
Number of candidates found qualified.....	39
Number of candidates rejected.....	51
Number of candidates who withdrew after partial examination.....	126
Total number examined.....	216
Number of candidates who failed to appear for examination.....	19
Number of candidates who declined to appear for examination.....	23
Total number invited but not examined.....	42

At the date of the last report of the Surgeon-General there were nine vacancies in the medical corps, all of which were in the grade of assistant surgeon. Since the date of last report there have been retired from active service (under the clause of the act approved June 30, 1882, providing and directing that "when an officer is sixty-four years of age he shall be retired from active service and placed on the retired list") the following medical officers :

Brig. and Bvt. Maj.-Gen. Joseph K. Barnes, Surgeon-General, after a service of upwards of forty-two years as a medical officer, and nearly eighteen years as Surgeon-General.

Col. and Bvt. Brig. Gen. John M. Cuyler, surgeon, after a service of more than forty-eight years as a medical officer.

Col. William S. King, surgeon—after a service of nearly forty-five years as a medical officer.

Lieut. Col. and Bvt. Col. James Simons, surgeon—after a service of nearly forty-three years as a medical officer.

Three surgeons, with the rank of major, 3 assistant surgeons, with the rank of captain, and 1 medical storekeeper, also with the rank of captain, have died. One assistant surgeon, with the rank of captain, has resigned. Col. and Bvt. Brig. Gen. Charles H. Crane, assistant surgeon-general, was appointed surgeon-general, with the rank of brigadier-general, July 3, 1882, vice Barnes, retired. Two surgeons, with the rank of lieutenant-colonel, have been promoted to surgeons, with the rank of colonel; 3 surgeons, with the rank of major, have been promoted to surgeons, with the rank of lieutenant-colonel, and 6 assistant surgeons, with the rank of captain, have been promoted to surgeons, with the rank of major. Thirteen appointments in the grade of assistant surgeon, have also been made. A vacancy in the office of assistant surgeon-general, and six vacancies in the grade of assistant surgeon, exist at this date (October 1, 1882) in the medical corps of the Army.

There are now 17 medical officers on sick leave of absence; of these 3 have been found incapacitated for active service and recommended for retirement by Army retiring boards, viz., Assistant Surgeons T. F. Azpeli, who has been on sick leave since April 7, 1877; J. W. Buell, who has been on sick leave since August 23, 1877, and W. R. Steinmetz, who has been on sick leave since September 16, 1878. One has been recommended to be brought before an Army retiring board with a view to his retire-

ment from active service, viz, Asst. Surg. J. V. DeHanne, who has been on sick leave since June 22, 1879; and 7 more are regarded as permanently disabled.

Three medical officers are on ordinary leaves of absence after a tour of duty on the frontier, and four are on temporary leaves of absence by permission from immediate commanding officers; leaving 159 medical officers for duty October 1, 1882.

The medical officers who have died during the year are as follows:

Maj. John H. Frantz, surgeon, at Baltimore, Md., March 2, 1882.

Maj. Charles B. White, surgeon, at Wilton, Conn., August 10, 1881,

Maj. William M. Notson, surgeon, at Columbus Barracks, Columbus, Ohio, June 23, 1882.

Capt. William E. Whitehead, assistant surgeon, at Tarrytown, N. Y., January 16, 1882.

Capt. Carlos Carvallo, assistant surgeon, at Winthrop Beach, Mass., July 23, 1882.

Capt. Peter Moffatt, assistant surgeon, at Fort Coeur d'Alène, Idaho, June 15, 1882.

Capt. Florence O'Donnoghue, medical storekeeper, at New York City, June 29, 1882.

Maj. John H. Frantz, surgeon, entered the service as an assistant surgeon, May 28, 1861, and was promoted to surgeon, with the rank of major, December 19, 1867. He was appointed captain, major, and lieutenant-colonel, by brevet, for faithful and meritorious services during the war. Served in general hospital in Georgetown, D. C., from date of appointment to August, 1861; on duty with battalion of Eighth and Nineteenth Infantry to July, 1862; medical purveyor at Fort Monroe, Va., to December, 1863; medical purveyor, district of North Carolina, to February, 1864; in charge of Balfour general hospital, Portsmouth, Va., to July, 1865; in charge of general hospital, Fort Monroe, Va., to April, 1866; on duty at Camp Grant, near Richmond, Va., to September, 1867; post surgeon, Fort C. F. Smith, Mont., to April, 1868; post surgeon, Fort Sanders, Wyo., to October, 1870; post surgeon, Fort D. A. Russell, Wyo., to December, 1871; post surgeon, Columbia, S. C., to May, 1875; post surgeon, Fort Preble, Me., to May, 1878. Was on continuous sick leave from October, 1877, to the time of his death.

Maj. Charles B. White, surgeon, was appointed assistant surgeon May 28, 1861, and was promoted to surgeon, with the rank of major, October 1, 1875. He served at Fort Monroe, Va., and in the Army of the Potomac. After the battle of Malvern Hill he remained with the wounded left in the hands of the enemy. He served as surgeon-in-chief of the Artillery Reserve in the Army of the Potomac, and afterwards took charge of the general hospital at Pittsburgh, Pa. In December, 1863, he was detailed as medical purveyor of the Thirteenth Corps, Army of the Tennessee, and participated in the march through Mississippi, Louisiana, and Texas, serving in the last mentioned State as medical director. He was medical purveyor at New Orleans, La., until May, 1868, and also acted as post surgeon at Jackson Barracks, New Orleans, during the prevalence of the cholera. Post surgeon at Fort Schuyler, N. Y., to June, 1870, and at Camp Independence, Cal., to May, 1876; then at Columbus Barracks, Ohio, to July, 1879. From this date to the time of his death he was on sick leave, with the exception of a few weeks in the latter part of 1880, when he was engaged on temporary special duty. In March, 1865, he was made captain and major, by brevet, for faithful and meritorious services during the war.

Maj. William M. Notson, surgeon, was appointed assistant surgeon July 3, 1862, and promoted to surgeon, with the rank of major, December 31, 1876; was appointed captain and major, by brevet, for faithful and meritorious services during the war. From date of appointment to September, 1862, served at Columbian College general hospital, Washington, D. C.; on duty with Army of the Potomac, in Maryland and Virginia, to December, 1863, and was severely wounded at Fairfield, near Gettysburg, Pa., in July, 1863. Assistant attending surgeon, Washington, D. C., from December, 1863, to November, 1867; post surgeon, Fort Chadbourne, Texas, January and February, 1868; post surgeon, Fort Concho, Texas, February, 1868, to July, 1872; post surgeon, Fort Mackinac, Mich., from August, 1872, to September, 1873; and at Fort Gratiot, Mich., to December, 1877; post surgeon, Fort McKinney, Wyo., from January to September, 1878. Was a member of the Army Medical Examining Board at New York City, from February to July, 1879, and post surgeon, at Columbus Barracks, Columbus, Ohio, from July, 1879, to the date of his death.

Capt. William E. Whitehead, assistant surgeon, was appointed April 13, 1863. Brevetted captain, March, 1865. Was in charge of general hospital, Ironton, Mo., from May to September, 1863; on duty in general hospital, No. 3, Murfreesboro', Tenn., November, 1863, to January, 1864; in the field in the Department of the Cumberland with the Fourth United States Cavalry from January, 1864, to January, 1865; inspector of hospitals, Nashville, Tenn., January to April, 1865. On duty at post hospital, Milwaukee, Wis., from July to November, 1865, and at Cape Disappointment (Fort Canby), Wash., from January, 1866, to April, 1869. Post surgeon at the following posts in New York Harbor: David's Island from July to November, 1869; Fort Wood, November, 1869, to October, 1870; Fort Columbus, October and November, 1870, and again at David's Island from November, 1870, to June, 1872. Post surgeon, Fort Brown, Texas, July, 1872, to April, 1876; at Camp Supply, Ind. Ter., from July, 1876, to February, 1877, and at Fort Riley, Kans., June, 1877, to October, 1878. Was on sick leave from December 1877, to the time of his death.

Capt. Carlos Carvallo, assistant surgeon, was appointed May 14, 1867, and served at Kalorama general hospital, Washington, D. C., from that date to July, 1867. Post surgeon at Sedgwick Barracks, Washington, D. C., to December, 1867. Post surgeon at Fort Richardson, Texas, from March, 1868, to February, 1869; at Jefferson, Texas, from March, 1869, to June, 1871, and at Fort Griffin, Texas, from July, 1871, to June, 1872. Post surgeon at Fort Gratiot, Mich., from September, 1872, to September, 1873; at Fort Mackinac, Mich., from September, 1873, to October, 1874; at Fort Stanton, N. Mex., from December, 1874, to September, 1876; at Fort Union, N. Mex., from October, 1876, to May, 1879, and at Fort Laramie, Wyo., from December 5, 1879, to November, 1881, when he was granted sick leave of absence, which continued until he died.

Capt. Peter Moffatt, assistant surgeon, appointed October 9, 1867. Served as post surgeon at Camp Harney, Oreg., to October, 1869, and at Fort Boise, Idaho, to December, 1871. Was on duty at Fort Leavenworth, Kans., to May, 1873; post surgeon at Fort Union, N. Mex., to April, 1874; at Fort Garland, Colo., to September, 1876, and at Fort Foote, Md., April and May, 1877. Post surgeon at Fort Mackinac, Mich., from June, 1877, to June, 1879; on duty at Camp Winfield Scott, Wash., July and August, 1879; post surgeon at Camp Chelan, Wash., from September, 1879, to October 5, 1880. Post surgeon, Camp Spokane,

Wash., from November, 1880, to February, 1882; post surgeon at Fort Cœur d'Alène, Idaho, from March to his death in June, 1882.

Capt. Florence O'Donnoghue, medical storekeeper, was appointed as such August 3, 1867, and was on duty at the medical purveying depot, New Orleans, La., until May 7, 1871; at medical purveying depot, New York, from September, 5, 1871, to his death June 29, 1882.

C. H. CRANE,
Surgeon-General, U. S. Army.

REPORT OF THE PAYMASTER-GENERAL.

PAYMASTER-GENERAL'S OFFICE,
Washington, October 10, 1882.

SIR: I have the honor to submit my annual report of the transactions of the Pay Department of the Army for the fiscal year ending June 30, 1882.

Tabular statements herewith inclosed show in detail the fiscal operations of the department for that year, summarily stated as follows, viz:

RECEIPTS AND DISBURSEMENTS DURING THE FISCAL YEAR ENDING JUNE 30, 1882.

Balance in hands of paymasters July 1, 1881.....	\$1,345,301 56
Amount received from the Treasury.....	12,905,541 38
Amount received from soldiers' deposits.....	448,566 83
Amount received from paymasters' collections.....	432,835 80

Total to be accounted for..... 15,132,245 57

Accounted for as follows:

Disbursements:

To Regular Army.....	\$12,559,005 69
To Military Academy.....	176,038 89
To volunteers, claims of freedmen, &c., on Treasury certificates.....	445,377 03

Total disbursements..... 13,180,421 61

Surplus funds deposited in the Treasury..... 133,312 71

Paymasters' collections deposited in the Treasury..... 432,835 80

Balance in hands of paymasters June 30, 1882..... 1,385,675 45

Total accounted for..... 15,132,245 57

The Army has been paid during the year with regularity, each muster period being closely followed by prompt payment.

The officers of this department have shown themselves to be highly efficient in the discharge of their duties, which, in some parts of the country, have been attended with many hardships and much danger.

I recommend that the act of July 29, 1876, be so amended as to allow, in the discretion of the Secretary of War, one month's leave of absence to officers of the Army, without deduction of pay or allowances, for each year during which such absence has not been taken.

Better still would be the repeal of all laws affecting the pay of officers while on leave.

An officer who is *entitled* to leave should have full pay while absent.

The discretionary power of granting leaves resting in the commanding generals and the Secretary of War would guard against any abuse of the privilege.

I recommend the repeal of that provision in act of July 24, 1876, which forbids payment of mileage over land-grant railroads. Mileage is an allowance to officers to cover necessary expenses while traveling in the

performance of their duties. The actual cost of transportation forms only a part of these expenses; the others go on whether they travel over a land-grant road or not. With the measure of allowance now reduced to a minimum, it causes loss and inconvenience to officers to be compelled to bear the other expenses incident to their traveling without reimbursement, while the small advantage accruing therefrom to the United States is inconsiderable.

It is desirable that paymasters should be notified within a reasonable period, say one year from the time payments are actually made, of the condition of their accounts in the hands of the Auditor and Comptroller. It is not unusual for two years and over to elapse before they are notified of errors; meantime, officers who should refund may have died, resigned, or been discharged the service.

I would invite your attention to the subject of paymasters' bonds. The accounting officers of the Treasury hold that, under the laws now in force, they have no power to release the sureties on a paymaster's bond. The sureties are held for all the transactions of the paymaster from the date of the approval of the bond to the close of his service under his current commission. This should be corrected by proper legislation, such as was extended to collectors of internal revenue (20 Stat., p. 327), and to postmasters (R. S., 3837). There should also be a limit beyond which it will not be competent for an action to be brought against the sureties on a bond, the paymaster, however, to be held. I would suggest five years after the expiration of the bond as a reasonable time within which suit should be brought.

The enlisted men of the Army still continue, to a large extent, to avail themselves of the benefits of the deposit system, and it is believed that its influence tends to encourage habits of economy and to check desertion. The system has been in operation for ten years, and during that time the sum of \$3,813,081.78 has been received on deposit. The repayments during the same period amount to \$2,766,613.27, leaving at the close of the fiscal year the sum of \$1,046,468.51 still on deposit. While the amount deposited last year (\$448,566.83) was less than the amount deposited during the previous year, it is noticed that the average amount of each deposit is larger and the number of deposits less.

It is good policy, I think, to encourage small deposits, and to that end would recommend that the act of May 15, 1872, be so amended as to allow interest on the minimum deposit (\$5) from the date of deposit, provided it shall be deposited six months prior to date of discharge.

The signal success which has attended the operations of the act of May 15, 1872, establishing a system of deposits for enlisted men, prompts me to recommend that the benefits of that act be extended to the commissioned officers of the Army.

The settlement of claims of colored soldiers and sailors for pay, bounty, and prize-money has progressed very satisfactory to this office, and, it is believed, also to the claimants, who, in every instance, receive their money in actual cash without the intervention of an agent or attorney. These results are accomplished at a very small expense to the government. Maj. A. B. Carey, paymaster, U. S. A., is charged with these payments. Attention is invited to his report, which is appended.

I am, sir, very respectfully, your obedient servant,

WM. B. ROCHESTER,
Paymaster-General, U. S. A.

The Hon. the SECRETARY OF WAR.

REPORT OF PUBLICATION OF WAR RECORDS.

WAR DEPARTMENT, WAR RECORDS OFFICE,
Washington, D. C., October 23, 1882.

To the SECRETARY OF WAR:

SIR: I have the honor to report progress in the publication of the military records of the War of the Rebellion since my report of October 12, 1881.

The examination and copying of the files of the Union records for 1861-1865 is almost completed, and the book records for 1864 are now being searched. The examination of the Confederate book records for 1863-1865, and of the files pertaining to these records for 1864, is progressing.

Volumes III, IV, and V, Series I, of the Official Rebellion Records, have been given to the public; Volume VI is now being bound; the index to Volume VII is in the hands of the Printer, and the book will doubtless be issued before Congress reassembles. The text of Volumes VIII, IX, X, and XI has been stereotyped, and the stereotyping of Volume XII is nearly completed.

The cost of printing and binding the volumes already issued has been:

Volume I.....	\$6,765 76
Volume II.....	9,168 68
Volume III.....	7,214 34
Volume IV.....	7,021 63
Volume V.....	9,717 92

The composition, stereotyping, &c., of volumes still in the hands of the Printer has cost:

Volume VI.....	\$1,857 90
Volume VII.....	1,924 65
Volume VIII.....	1,234 30
Volume IX.....	1,565 50
Volume X (two parts).....	2,940 31
Volume XI (three parts).....	5,257 27
Volume XII, Parts I and II.....	3,319 94
Volume I, Series III.....	1,692 14
Volume I, Series IV.....	871 64
Indexing, proof-reading, &c., for the fiscal years 1880-1882*	7,376 72

The appropriations for printing and binding have been:

1880-1881.....	\$40,000 00
1881-1882.....	40,000 00
1882-1883.....	36,300 00
Total.....	116,300 00
Total expenditures to date.....	67,798 70
Balance available.....	48,501 30

The expenditures of this office for salaries and incidental expenses during the fiscal year ending June 30, 1882, have been as follows:

Salaries.....	\$34,673 68
Rent.....	1,200 00
Traveling expenses and express transportation.....	155 05
Fuel and lights.....	388 94
Stationery, books, maps, pamphlets, &c.....	1,981 43
Office furniture, carpets, &c.....	1,044 17
Repairs of office furniture and heating apparatus.....	212 70

* Under current appropriation this expense is provided for in the allotment for salaries.

Telephone service	\$176 53
Printing material	310 49
Incidental labor	220 00
Reducing maps for publication	90 00
Ice	30 69
Total	40,486 68
Amount appropriated	40,490 00
Surplus	3 32

The War Department agent for the collection of Confederate military records continues to be successful in obtaining valuable documents. A memorandum of his collections during the past twelve months is submitted herewith. Some of the documents thus reported are duplicates of those already in the possession of the Government, and are therefore of no special value; but there are yet many original documents relating to the war scattered about the country, and I recommend that the agency for collecting them be maintained while yielding, as it now does, a commensurate return.

Very respectfully, your obedient servant,

ROBERT N. SCOTT,
Brevet Lieutenant-Colonel, U. S. A.

REPORT ON MILITARY PRISON, FORT LEAVENWORTH, KANSAS.

GOVERNOR'S OFFICE,
UNITED STATES MILITARY PRISON,
Fort Leavenworth, Kansas, August 30, 1882.

SIR: I have the honor to transmit herewith annual reports of the quartermaster, surgeon and chaplain connected with this prison, for the fiscal year ending June 30, 1882. I also enclose tabular statement of labor performed, prisoners received, discharged, &c.

During the past year, improvements have been made in and near the prison, as exhibited by the following details: One brick store-house, 30 by 80 feet, two stories high, slate roof; prison water-closet, frame, 12 by 24 feet; new officers' quarters, main house, 26 by 36 feet, wing 20 by 22 feet, ell 6 by 14 feet, both two stories, 20 feet high. Stable, 18 by 24 feet, 14 feet high. There were also repairs made on fence around the farm, from old material, the fence around corral rebuilt, and improvements made in Surgeon Wright's quarters.

There have been made 319 feet curbing to protect sidewalks, and 1,599 feet coping around prison wall has been laid. 169 perch masonry, two crossings, one at the prison chaplain's, and one at Lieutenant Scott's, together, 220 feet, and necessary curbing, 110 feet, area in yard 9 feet 4 inches; window-sills, 296 feet.

Work in the shop progressed very favorably, and during the past fiscal year there were manufactured 33,113 pairs of boots, b. s.; 18,996 pairs of shoes, b. s.; 30,000 corn brooms; 2,236 barrack chairs; 118 sets of chair rods; 940 extra parts for chairs; 1,292 packing boxes for boots, shoes, and harness; 136 crates for packing chairs; also 127 sets, complete, of four-mule ambulance harness; 136 sets of six-mule wagon

harness; 50 single sets of lead-mule wagon harness and 60 single sets of wheel-mule harness.

Besides the above enumerated articles, all doors, sash, &c., as well as the necessary repairs to buildings, &c., were made by prison labor.

During the year there has been 2,975 bushels of lime burned and used in building, repairs, sanitary purposes, &c.

In the shoe-shop care has been taken to save all scrap leather, and during the year there has been sold 24,377 pounds, realizing the sum of \$1,396.27, which amount has been covered into the United States Treasury on account of miscellaneous receipts.

During the past year, owing to the backwardness of the season and the overflow of the Missouri River (which inundated the entire farm), the prison farm only yielded 1,250 bushels of potatoes, 1,347 heads of cabbage, 350 bushels of corn, 150 bushels of onions, 700 bushels of tomatoes, 175 bushels parsnips, and a quantity of other vegetables, for immediate consumption.

This year we have under cultivation about 96 acres, planted as follows: 40 acres in potatoes, 40 in corn, 3 in cabbage, 5 in broom-corn, and 8 acres with a variety of vegetables, such as onions, tomatoes, carrots, beets, &c.

The work performed for the Quartermaster's Department during the past year has been as follows: 55,991 days skilled labor; 76,174 days unskilled labor; making a total of 132,165 days of labor.

United States military prison in account with the Quartermaster's Department during the fiscal year 1882 shows as follows:

Due Quartermaster's Department July 1, 1881.....	\$887 61
For Quartermaster's stores received.....	1,932 13
For C. C. and G. E. received.....	16,241 37
Total.....	19,061 11
By work for Quartermaster's Department.....	24,356 19
By clothing retransferred to Quartermaster's Department.....	5,469 84
Total.....	32,825 94
	19,061 11
Due prison June 30, 1882.....	13,764 83

Expended on account of appropriation for support United States military prison for fiscal year 1881 and 1882:

Received:	
Regular appropriation.....	\$62,461 17
Expended.....	62,461 17

Deficiency appropriation.

Received:	
For subsistence stores.....	\$2,000 00
For buildings.....	2,000 00
	5,000 00

Expended:	
For subsistence.....	\$1,002 55
For buildings.....	2,000 00
Turned into the Treasury.....	1,997 45
	600 00

The conduct of the prisoners has on the whole been very good, but few refractory cases necessitating severe disciplinary measures occurring.

Sixteen prisoners escaped: seven were recaptured: making a loss of nine.

The health of the institution, as shown by inclosed report of the surgeon, has also been very good, considering the crowded condition of the dormitories; the new dormitory, nearly completed, will add greatly to the comfort of the prisoners regarding their health. But two deaths occurred during the year, one of which was a prisoner, and one enlisted man of the provost guard, general service United States Army, Sergeant John Henry, who was shot by Private John O'Neil, same organization. The prisoner died of phthisis.

I desire to take the opportunity to acknowledge my sincere thanks to the department commander for his kind encouragement and substantial support which he has extended to me during the past year, and I am sure that whatever success has attended my labors here, has been largely due to the aid he has given me in the performance of my duties. It is also gratifying to me to acknowledge my obligations to the different officers on duty at the prison for the manifest interest they have taken in the performance of their arduous duties, their hearty co-operation, and exemplary conduct.

I am, sir, very respectfully, your obedient servant,

A. P. BLUNT,

Brevet Colonel, United States Army, Governor.

REPORT OF THE BOARD OF COMMISSIONERS OF THE SOLDIERS' HOME.

WASHINGTON, D. C., November 2, 1882.

SIR: Article 1 of the regulations for the general and internal direction of the Soldiers' Home requires the Commissioners, "at their meeting in October," to "make an annual report of their proceedings to the Secretary of War for the information of Congress." In accordance therewith, we have the honor to submit the following report for the year ending September 30, 1882:

The matters which have demanded the most earnest attention during the year have been the ways and means for providing for a large and increasing number of inmates, and keeping the buildings and extensive grounds in good repair and condition. The current revenue for the support of the Home would have been insufficient for these purposes if it had not been for the exceedingly close economy and unusual restrictions required in the expenditures of funds, and in some instances the suspension of work which seemed almost indispensable. By extraordinary effort in controlling the expenses, the necessity for diminishing the investments held by the Home has happily been avoided. As the number of inmates increases, the means for their support, which are all derived from the Army, have been greatly reduced in the past few years by the reduction of the military forces. The fact is apparent that in a very short time the current revenue from the sources created by law will not be sufficient to meet the necessary expenses of the institution. The investment of surplus funds in past years in securities which would yield a sure revenue was a wise step, and it will be wisdom to make some sacrifices now for the purpose of increasing the amount so invested in order that the future may be provided for. Probably no better plan could be devised for this purpose than that proposed in the bill now before Congress (Senate bill No. 1821), to make all surplus

funds a deposit in the United States Treasury to the credit of the Home as a permanent fund to draw interest. If this can be done, and if additions can be made to the fund from time to time, the benefit will be great, and if a fair estimate of the amount of money now due the Home on account of the "unclaimed effects of deceased soldiers" could be made by the accounting officers of the Treasury Department, and that amount appropriated by Congress, and added to the permanent fund, there is not a doubt but that the future maintenance of the Home would be assured.

The financial statement of the treasurer of the Home is submitted herewith, and is made a part of this report. By reference thereto it will be seen that the amount of money received during the year was \$145,932.13, and the amount expended was \$142,839.60, leaving a balance of receipts over expenditures of \$3,042.53. The investments held by the Home, and in which there has been no change during the year, are \$780,000 in United States 4 per cent. bonds, \$40,000 in 6 per cent. Missouri State bonds, and \$62,500 in stock of the Young Men's Christian Association Joint Stock Company of Washington, D. C. It is proper, in this connection to state briefly the character of the last-named stock, and to explain the relations between the "*company*" and the "*association*," for the idea seems to be prevalent that there is no distinction between them. The *association* was incorporated under an act of Congress approved June 28, 1864. The *company* was incorporated under an act approved March 2, 1867, and S. P. Chase, O. O. Howard, H. D. Cooke, and other well known men of position, wealth, and integrity were named as the body corporate for the purpose of erecting a building for the meetings of the *association*. They were authorized to have a capital stock not exceeding \$200,000, upon which they were to pay, from the rents and revenues arising from the building, an annual interest of not exceeding 6 per cent., and pay over to the directors of the Young Men's Christian Association the surplus, if any, to be used in the purchase of the stock of the *company*, and when the *association* should in this manner absorb all the stock of the *company* the latter was then to transfer the full title of the property to the *association*. The *company* issued stock to the amount of \$191,000, and realized therefor \$157,340. The lot purchased and the building erected and furnished, including all expenses, cost \$179,796.23, to which should be added \$6,705.03, which was paid as *interest on stock* before any revenues were received from the building, making \$186,501.26 in all. This would make the indebtedness of the *company* \$29,161.26. The first proposition to the commissioners of the Soldiers' Home to invest in the stock of the *company* appears to have been made in December, 1867, and, after about five months, during which it is found that due inquiry was made into the matter, the commissioners authorized the investment at 20 cents on the dollar below the face value of the stock. Interest at the rate of 6 per cent. per annum was received by the Home semi-annually upon the par value of this stock until January 1, 1873, when, the indebtedness of the *company* having increased to about \$36,000, the stockholders consented to relinquish the interest until the indebtedness should be paid. At this time the Young Men's Christian Association, which was a *tenant* in the building owned by the *company*, was in arrears for rent to the amount of \$4,106.66. In part payment of this the *company* accepted at par and canceled \$3,000 worth of stock. From that time till May 1, 1876, the *association* again fell in arrears for rent \$3,791.66, and, it being represented that there was no hope of the funds being raised to pay it, the *company* remitted it on condition that future rent must be satisfactorily secured. The security

accepted was stock of the company, of which the association then possessed 687 shares, the face value of which was \$17,175. The tenancy of the association was continued under this arrangement up to the month of November, 1878, when all the stock was surrendered by the association and accepted by the company, on account of rent, at 20 cents on the dollar. This part of the statement is made somewhat in detail to show that the *Young Men's Christian Association* is not now connected with nor in any way interested in the property upon which the stock held by the Soldiers' Home is based; also to show that the exceedingly slow progress made up to 1880 in reducing the indebtedness, which is now \$33,000, would have been more rapid and satisfactory if the company had not been compelled to accept its own stock as part of the revenues. The property (the building) is an exceedingly expensive one to keep in repair, but the prospect for realizing upon the stock is fair, as the following will show:

The funds on hand and invested September 30, 1882, was.....	\$4,741 93
The annual rental of store and other rooms is.....	5,730 00
The average annual receipts for rent of Lincoln Hall is about.....	3,000 00
	<hr/> 8,730 00

The regular annual expenses are:

Tax on an assessed valuation of \$90,000.....	1,350 00
Premium on \$67,500 insurance (fire).....	396 25
Salary of janitor, \$900, and secretary, \$250.....	1,150 00
Interest on loan at 6½ per cent.....	2,145 00
Lighting and heating the building, about.....	700 00
Agent's fees for collecting rents—hall, 10 per cent.; rooms, 5 per cent.....	586 50
	<hr/> 6,327 75

The repairs and incidentals are about \$400, so that the net revenue may be fixed at \$2,000 per annum. The interest on the loan will be reduced in two and one-half years to 6 per cent., and will have five years to run at that rate. The indebtedness will probably be paid in from twelve to fourteen years, after which, if not sooner, the stock will have a marketable value.

The only improvement of importance made at the Home during the year was the construction of a sewer from the main buildings southward on the east side of the grounds, a distance of about 4,800 feet, to connect with the sewerage from the hospital to divert the drainage from the property adjoining the Home on the east, where it had for years been a cause of complaint. The cost of this work was \$1,100.

The number of inmates has been increasing from year to year, and the question of providing additional room for their accommodation is one which must be acted upon very soon. A very large percentage of the men require hospital accommodation and treatment. Many more who are old and infirm, but who require no medical treatment, are necessarily kept in the hospital, where they can receive the care of attendants, and the accommodations for the sick and wounded are taxed to their utmost capacity.

The number of persons who were receiving the benefits of the Home September 30, 1881, was..... 588

The changes during the year ending September 30, 1882, have been as follows:

Admitted:	
Regular.....	127
Temporary.....	68
Readmitted (regular).....	78
	<hr/> 861

Dropped by withdrawal, &c.:	
Regular.....	127
Temporary.....	64
Dismissed (regular).....	4
Died:	
Regular.....	29
Temporary.....	2
Suspended (regular).....	12
	— 238
Receiving the benefits September 30, 1882:	
Regular.....	610
Temporary.....	13
	— 623

Five of the men admitted temporarily were discharged soldiers who were in need of food and shelter for a few days, but who were not entitled to full admission. The lack of accommodations forbids the extension of this privilege except in very extreme cases. The other temporary admissions were men whose right to the benefits appeared good, but needing evidence which was not at hand, and they were admitted until it could be obtained and acted upon.

There has been a slight decrease in the death rate as compared with the past few years. Considering the class of men brought together, the general health of the inmates has been good, and it would have been even better if many of the pensioners could have been prevented from spending their money for intoxicating liquor. The attending surgeon reports that 26 per cent. of the admissions to the hospital were for intemperance or acute alcoholism, the number of such cases being most frequent just after the receipt of pension or extra duty pay. The average number of patients in the hospital daily through the year was 75, and the highest number at any time was 83. This is the utmost limit in the numbers that can be accommodated. The attending surgeon, Capt. Calvin De Witt, assistant surgeon United States Army, has been entirely devoted to his charge, and discharged all his duties to the satisfaction of the commissioners.

In the month of December, 1881, a reduction of the working force upon the Home grounds and in the buildings was found to be necessary as a part of the action taken to reduce the current expenses, and all labor upon the drives was discontinued. In a short time it was found that the paving in the gutters was being seriously injured by careless drivers running the wheels of their vehicles into it while the earth was soft, and orders were given to close all the gates but one at the northwest entrance, and the grounds remained closed in this way until settled weather in the spring, and until the working force of inmates could be again employed to keep the drives in order.

The governor reports that about 55 acres of ground have been cultivated during the past season, and, with the exception of winter cabbage and celery, all the products were abundant and the supply was sufficient for the use of the inmates throughout the season.

March 27, 1882, the treasurer of the Home was authorized by the commissioners to enter into contract with Mr. Thomas T. Keane, a butcher engaged in business in this city, to furnish the Home with meats, he being the lowest bidder under an advertisement previously made, pursuant to the instructions of the commissioners given ten months before. It was ascertained in the month of June, 1882, that this contract had been annulled by the governor of the Home, and as it was found that the contractor was thereby released from the fulfillment of his contract, no action was undertaken to enforce it at the time. Recently new advertisements have been published, and a new contract

will, it is expected, soon be obtained at favorable rates, which the high prices prevailing through the past summer would have made impossible. In the mean time the meats have been procured under an arrangement made by the governor of the Home with parties from whom they were obtained before the contract was made with Mr. Keane. The other subsistence supplies have been obtained from reliable dealers at favorable rates, which have been controlled by an alternation of patronage. The contract system for obtaining subsistence will be applied to all the supplies whenever it shall be advantageous to do so.

The buildings belonging to the Home are in good condition, except in two instances. The dwelling-house on what is known as the Home farm was occupied by the superintendent of the farm until, in November, 1881, authority was given for his removal to the "Harewood cottage," because the farm building had become so dilapidated as to make its occupancy unsafe. The building is not worth repairing, and will, in the course of a short time, have to be removed. The library building, though a brick structure, has a great deal of exposed woodwork, which has become seamed by the action of the elements and heat of the sun, and will shortly require considerable work for its preservation. Many of the other buildings need painting in some parts, but there has not been funds available for the work.

In January, 1882, a subcommittee of the Senate Committee on Military Affairs, under a resolution of the Senate dated May 20, 1881, entered upon an investigation of the affairs of the Home, and after prosecuting the same for about four months, submitted a report May 3, 1882, accompanied by all the testimony taken, and a bill prescribing regulations for the Home. The report is No. 531, first session, Forty-seventh Congress, and the bill (Senate No. 1821) passed the Senate and is now before the House of Representatives. Its provisions, with one exception, appear to be good. Section 4 provides for the payment of pensions of inmates who have no families to the treasurer of the Home to be paid to the pensioner on his discharge from the institution. As no discharges can be made except for flagrant misconduct, and of men who, being under fifty years of age, shall recover from their disabilities, it is not clear what is intended, but will probably apply to all who voluntarily withdraw from the Home, which they are permitted to do at any time, but under existing regulations cannot be readmitted after the second withdrawal.

On the 30th of June, 1882, Brig. and Bvt. Maj. Gen. Joseph K. Barnes, surgeon-general of the Army, was retired from active service by the operation of a law approved on that date. This retirement carried him from the board of commissioners, and he was succeeded by Brig. Gen. Charles H. Crane, on his appointment as surgeon-general. General Barnes was a commissioner of the Home for eighteen years, and president of the board for thirteen years, and although his duties as the chief of the medical department of the Army demanded unremitting attention, the many important and valuable improvements made in and added to the property of the Home, under his direction, and the fact that he was present at every monthly meeting of the commissioners, at the Home, except six, during his term of office, attest the personal interest and care bestowed by him upon the institution.

The following changes have been made in the detail of officers at the Home since September 30, 1882.

Lieut. Col. John S. Mason, Twentieth Infantry, brevet brigadier general United States Army, was, at his own request, relieved as deputy governor, April 15, 1882, and was succeeded by Maj. Milton Cogswell,

retired (brevet colonel United States Army), who was appointed April 18, 1882.

Capt. Jonathan D. Stevenson, Eighth Cavalry, was relieved as secretary and treasurer July 29, 1882, on his own request, on account of ill health, and the duties of the office were performed by Colonel Cogswell until September 6, 1882, when Capt. Benjamin F. Rittenhouse (brevet major United States Army) retired, whose appointment was made August 23, 1882, took full charge.

The officers now on duty are:

Col. Samuel D. Sturgis, Seventh Cavalry (brevet major general), governor.

Maj. Milton Cogswell (brevet colonel), retired, deputy governor.

Capt. Benjamin F. Rittenhouse (brevet major), retired, secretary and treasurer.

Capt. Calvin De Witt, assistant surgeon United States Army, attending surgeon.

Very respectfully, your obedient servants,

R. MACFEELY,

Commissary General of Subsistence U. S. A.

R. C. DRUM,

Adjutant-General U. S. A.

C. H. CRANE,

Surgeon-General U. S. A.,

Commissioners of the Soldiers' Home.

The Hon. the SECRETARY OF WAR.

REPORT ON CONSTRUCTION OF STATE, WAR, AND NAVY DEPARTMENTS' BUILDING, 1881.

OFFICE OF BUILDING FOR STATE, WAR, AND NAVY DEPARTMENTS.

OLD BUILDING, NAVY DEPARTMENT, 17TH STREET.

Washington, D. C., July 1, 1882.

SIR: I have the honor to submit my annual report on the construction of the building for State, War, and Navy Departments, in my charge, for the fiscal year ending June 30, 1882, as follows:

No appropriation having yet been made for the west and center wings, all operations were confined to the north wing, continuing without interruption throughout the year. Some delay has, however, been occasioned by the failure of contractors to deliver materials within the time required by their contracts, notably those for the cast-iron finish of windows, doors, &c., and for the marble tiles for corridor floor.

At the beginning of the fiscal year all of the masonry of walls and floors was complete, and also the greater part of the iron work of the roof. The work upon the latter was continued steadily and was finally completed on September 7. The slating was nearly finished about one week later, and the water-proof copper covering commenced upon the concrete and mortar surfacing which had followed up the iron work after July 27. The entire roof was essentially finished on November 30.

Work upon the heating apparatus with all the incidental air ducts, water supply, steam boiler, pump, tanks, &c., was begun on July 1. It was practically completed January 5, and was used for heating the building during the operations of the winter.

The cast-iron finish, consisting of window and door frames, casings, and trimmings, and the washboards and stair strings, throughout the

building, was begun by the contractors early in August, and, as above stated, has progressed slowly in their hands. It is now, however, completed excepting some stair strings, the main entrance doors, and many of the doors and windows of the sub-basement or cellar; but the material for these deficient parts is mostly on hand, so that no further delay to the progress of the building from this cause is anticipated.

The work of iron furring, lathing, and partitions was commenced in the building by the contractors on August 29 and finished during the winter. It included the soffits, coffers, and skylight architraves of the domes of the two main stairways, the interior of the roof of the centre pavilion, and thirty-one iron stud partitions.

The granite work of the two main stairways was set in place as fast as the contractor delivered it, between November 19 and March 13.

The flooring of rooms and corridors of all the principal stories consists of concrete, with a thin wooden covering in the rooms, and marble tiles in the corridors. The attic rooms are generally floored with Portland cement mortar and the attic halls with marble tiles, while the sub-basement floor is paved with bricks on edge. The floors of the attic, fourth story, third story, and sub basement are finished excepting the tiling of a small part of the fourth-story corridor and all of the third-story corridor. About one-half of the wooden flooring of the second-story rooms is laid. Proposals were opened on June 30 for furnishing and laying parquetry floors in two rooms in this story during the month of September next.

All of the doors for the attic story have been delivered by the contractor and are hung in place, and nearly all of the sashes of the building, except the sub basement, have been glazed and hung.

Work upon the passenger elevator has been commenced and it is expected to be finished in good season.

The plastering and stucco work of the entire building was let to the lowest bidder for furnishing the labor and tools required, while the government furnished the materials, hoisting, scaffolding, &c. The work has been accomplished in a most thorough and satisfactory manner. It was actively commenced on January 16, and was nearly finished by June 1, since which date it has been delayed by the cast-iron work on washboards and stair strings. All that now remains to be done, however, is the white-coating of the basement corridor walls and the walls of the main stairway wells.

While the above especially mentioned classes of work have been going on, all other principal materials and manufactured articles—including the passenger elevator—necessary to the entire completion of the building, have been placed under contract for immediate delivery, excepting the fire-place grates, the fresco painting of the Secretary's rooms, and the parquetry floor above mentioned. Proposals for all but the grates are now under advertisement, and the latter will be advertised for in a few days.

The running of gas-pipes and nearly all of the plumbing work have been completed; the wood, slate, and marble work of water-closets is well advanced; the painting throughout the building is about one-third finished; a complete system of leaden pipes and other arrangements for running concealed electric wires throughout the building has been put in place; the flow system of main hot-water pipes in the heating apparatus has been protected with a non-conducting covering; and the work of cleaning and pointing the stone work of the exterior of the building, now in progress, is about one-third finished.

The contractors for furnishing the bronze balusters for the main stair-

ways failed to deliver any of them on May 1, according to their contract, and the first lot which finally arrived had to be rejected as below the requirements of the contract. It is not now expected to receive the balusters required, before October 1, after which the mahogany stair-railing, now all ready for its place, will be put in position on the stairs. It is hoped that this will not materially delay the final completion of the building.

In the office the drawings of the approaches of this wing, comprising a large amount of fine stone work, have been prepared ready for use when the small appropriation, needed in addition to the funds on hand, shall have been made for their construction.

By order of the War Department, dated November 30, 1881, the small room in the sub-basement, under the west stairway well, was turned over to the Chief Signal Officer, as a repository for a standard clock, and a special pier of brick masonry inclosed in a wooden non-conducting case, was constructed by this office at the expense of the Signal Office.

The work now remaining to be done to complete the building, exclusive of the approaches, consists mainly of flooring, tiling, water-closet casings, elevator, main stair-railing, parquetry flooring, fresco painting, chandeliers, mantels and grates, hanging of doors, painting, the putting in position of iron door and window frames of the sub-basement, and construction of a hydraulic area lift in the court-yard.

Following is a list of contracts in force at the beginning of the year, those entered into during the year, and those now in force:

Date of contract.	Subject of contract.	Contractor.	Amount.	Present condition.
1880.				
July 10	Cement.....	J. G. & J. M. Waters...	\$2,400.....	Completed.
10	Sand.....	John B. Lord.....	\$979.12.....	Do.
Nov. 5	Iron work of roof, &c.....	J. B. & J. M. Cornell..	\$71,380.....	Do.
1881.				
Nov. 5	Cut granite for stairways..	Concord Granite Company.	\$15,984.....	Do.
May 9	Boilers, tanks, &c., for heating apparatus.	Bartlett, Hayward & Co.	\$7,108.....	Do.
9	Cast iron flange pipe, &c., for heating apparatus.	.....do.....	\$12,148.....	Do.
9	Fittings, valves, &c., for heating apparatus.	.....do.....	\$8,698.....	Do.
10	Cast iron door and window finish and wash-boards.	Joseph Hall & Co.....	\$47,890, for doors and windows 65 @9, 81, and \$1.50 per foot of wash-board.	In force.
June 3	Iron furring, and lathing and partitions.	Dwight & Hoyt.....	\$11,201.50.....	Completed.
6	Wrought iron pipe.....	National Tube Works..	\$2,000.....	Do.
6	Sheet copper and iron...	C. G. Hussey & Co.....	\$2,500.00.....	Do.
27	Lumber for floors.....	E. E. Jackson & Co.....	\$7,100.00.....	Do.
July 1	Mahogany and black walnut lumber.	Daniel A. Hall.....	\$6,628.41.....	Do.
13	Paints, oils, rollers, brushes, &c.	Geo. Ryndal, jr.....	\$1,500.00.....	Do.
15	Polished plate double thick, and hammered glass.	Edward A. Boyd.....	\$5,200.....	Do.
Sept. 1	Sand.....	John B. Lord.....	\$1,000 per cubic yd.	In force.
Oct. 27	Lime.....	Wm. C. Amosack.....	\$1,000.00.....	Do.
27	Ox hair and white sand...	Mary E. Godey.....	\$1,000.00.....	Completed.
27	Plaster of paris.....	Joseph M. Winstable...	\$1,000.00.....	Do.
27	Fuel.....	Wm. H. Barnum.....	\$1,000.00.....	Do.
Nov. 5	Bronze balusters and newel posts.	E. Henry & Leonard.....	\$1,000.....	In force.
20	Plastering and stucco work	Edward Smith.....	\$1,000 estimated...	Do.
1882				
Jan. 25	Hair felt pipe covering....	The Standard Felt Pipe Company	\$500.00.....	Completed.

Date of contract.	Subject of contract.	Contractor.	Amount.	Present condition.
1882.				
Feb. 23	Mahogany and pine doors.	A. H. Andrews & Co.	\$8,450	In force.
Mar. 13	Bronze hardware	Hopkins and Dickinson Manufacturing Company.	\$3,119.10	Do.
13	Hydraulic elevator	Oris Bros. & Co.	\$15,500	Do.
24	Slate floor flags, urinal mountings, and sink backs.	Emil Fritsch	\$1,133.90	Completed.
24	White marble basin slabs and backs.	Chas. E. Hall & Co.	\$141	Do.
24	Marble tiles, border and door slabs.	Vermont Marble Company.	\$6,662.87, estimated	In force.
Apr. 21	Lead sash weights	Jas. H. McGill	\$1,921.11	Completed.
26	Picture rods and fixtures.	Joseph Neumann	\$1,006.30	In force.
26	Gas fixtures	Mitchell, Vance & Co.	\$1,401.25	Do.
May 10	Marble mantels	Adolph Klaber	\$1,533	Do.
10	do	A. L. Fanchere & Co.	\$2,912	Do.
10	do	Chas. E. Hall & Co.	\$4,324	Do.
25	Gas chandeliers	Cornelius & Co.	\$6,679	Do.
June 8	Elevator fronts	Manly and Cooper Manufacturing Company.	\$1,450	Do.
24	Area elevator	Geo. C. Howard	\$700	Do.

PROBABLE OPERATIONS FOR FISCAL YEAR 1882-'83.

It is expected to complete the north wing of the building, except the approaches, and have it ready for occupancy by December 25, 1882, and to commence work on the approaches before that time. Should the appropriation of \$100,000 now asked for to complete the approaches be granted at this session of Congress, it is expected that the season will not have become so far advanced as to prevent the delivery of the cut granite and the flagging, all of which have yet to be put under contract, early enough to enable the approaches to be entirely completed in the fall of 1883.

STATEMENT OF FUNDS.

Total amount expended to July 1, 1882, on north wing	\$1,662,918 02
Balance of appropriation on hand July 1, 1882	215,062 58
New appropriation required to complete the north wing approaches ..	100,000 00

WEST AND CENTRE WINGS.

No appropriation has yet been made for these wings—the last now required to complete the building. An estimate of \$450,000 was submitted in my last annual report, which amount, if appropriated at the present session of Congress, will enable contracts to be made for a commencement upon the preparation of cut granite. For the fiscal year ending June 30, 1884, however, the sum of \$500,000 should be appropriated to enable the work of clearing the site, laying foundations, and building the walls of the lower stories to be carried on, and to prevent delay or interruption in the preparation of cut granite.

THOS. LINCOLN CASEY,

Lieutenant-Colonel Corps of Engineers,

United States Army, in charge.

HON. ROBERT T. LINCOLN,
Secretary of War.

REPORT OF THE CHIEF OF ENGINEERS.

OFFICE OF THE CHIEF OF ENGINEERS,

UNITED STATES ARMY,

Washington, D. C., October 19, 1882.

SIR: I have the honor to present for your information the following report upon the duties and operations of the Engineer Department for the fiscal year ending June 30, 1882:

OFFICERS OF THE CORPS OF ENGINEERS.

The number of officers holding commissions in the Corps of Engineers, United States Army, at the end of the fiscal year was 104 on the active list and 9 on the retired list; the latter, however, under the law of January 21, 1870, not being available for duty.

Since the last annual report the Corps has lost, by death and retirement, six of its officers: Lieut. Col. Nathaniel Michler, who died at Saratoga Springs, N. Y., July 17, 1881; Maj. Charles W. Howell, who died at New Orleans, La., April 5, 1882; Maj. William J. Twining, who died at Washington, D. C., May 5, 1882; Lieut. Col. Robert S. Williamson, who was retired June 23, 1882, in conformity with provisions of section 1251, Revised Statutes; and Cols. Henry W. Benham and John N. Macomb, who were retired June 30, 1882, under the provisions of section 1 of the act of Congress approved June 30, 1882.

There have been added to the Corps, by promotion of graduates of the Military Academy, one second lieutenant and two additional second lieutenants, whose commissions date from June 13, 1882, but who did not become available for duty until after the close of the year, and are, therefore, not included in the strength of the Corps.

On the 30th of June, 1882, the officers were distributed as follows:

On duty, Office Chief of Engineers, including the Chief.....	4
On duty, fortifications and light-house duty.....	1
On duty, fortifications and river and harbor works.....	13
On duty, fortifications, river and harbor works, and light-house duty.....	1
On duty, fortifications, river and harbor works, and "The Mississippi River Commission".....	1
On duty, Board of Engineers.....	1
On duty, Board of Engineers and river and harbor works.....	1
On duty, Board of Engineers, fortifications, and river and harbor works.....	2
On duty, Board of Engineers, fortifications, river and harbor works, and light-house duty.....	1
On duty, Board of Engineers, Battalion of Engineers, and fortifications.....	1
On duty, river and harbor works.....	31
On duty, river and harbor works, light-house duty, and "The Mississippi River Commission".....	1
On duty, river and harbor works and light-house duty.....	2
On duty, survey of northern and northwestern lakes and "The Mississippi River Commission".....	1
On duty, jetties at mouth of Mississippi River, fortifications, and light-house duty.....	1
On duty with Battalion of Engineers.....	10
On special duty in Europe.....	1
On staff of General commanding Department, and on river and harbor works....	1
On construction of building for State, War, and Navy Departments, Washington	
Aqueduct, and construction of Washington National Monument.....	1
On duty, fortifications, river and harbor works, and construction of Yorktown Monument.....	1
Detached, on duty with the General of the Army, Generals commanding Divisions and Departments, Light-house Establishment, Military Academy, the Board of Commissioners of the District of Columbia, "The Mississippi River Commission," and on special duty in Europe.....	28

The officers detached were on duty as follows:

Col. William F. Reynolds, engineer fourth light-house district	1
Lieut. Col. J. C. Duane, engineer third light-house district	1
Lieut. Col. O. M. Poe, on staff of General of the Army	1
Maj. O. E. Babcock, engineer fifth light-house district	1
Maj. P. C. Hains, engineer sixth light-house district	1
Maj. F. U. Farquhar, engineer secretary to Light-House Board	1
Maj. G. J. Lydecker, Engineer Commissioner District of Columbia	1
Maj. W. A. Jones, on staff of Major-General commanding Division of the Pacific ..	1
Capt. W. R. Livermore, on staff of Commanding General Department of Texas ..	1
Capt. J. F. Gregory, on staff of Lieutenant-General, Division of the Missouri ..	1
Capt. C. E. L. B. Davis, engineer tenth light-house district	1
Capt. G. M. Wheeler, in connection with Third International Exhibition of Geog-	
raphy at Venice, Italy	1
Capt. J. G. D. Knight and W. L. Marshall, in charge and disbursing officers of	
works under "The Mississippi River Commission"	2
Capt. W. S. Stanton and Lieut. H. S. Taber, on duty with Company E, Battalion	
of Engineers, and at Military Academy	2
Lieuts. Eric Bergland, Willard Young, S. W. Roessler, and J. L. Lusk, on duty at	
the Military Academy	4
Capt. R. L. Hoxie and Lieut. F. V. Greene, assistants to Engineer Commissioner	
of the District of Columbia	2
Lieut. G. J. Fieberger, on staff of Commanding General, Department of Arizona ..	1
Lieut. D. C. Kingman, on staff of Commanding General, Department of the	
Platte	1
Lieut. T. N. Bailey, on staff of Commanding General, Department of the Missouri ..	1
Lieut. T. W. Symons, on staff of Commanding General, Department of the Co-	
lumbia	1
Capt. C. B. Sears, executive officer of "The Mississippi River Commission," assist-	
ant and secretary to the committee on construction, and disbursing officer under	
the Commission	1
Lieut. S. S. Leach, secretary and disbursing officer of "The Mississippi River	
Commission"	1

25

SEA-COAST AND LAKE-FRONTIER DEFENSES.

No appropriations for new works or for the modification of our existing sea-coast defenses have been made for many years. These latter consist of two classes—casemate defenses and earthen defenses. Our casemate defenses, than which there were none stronger in the world in their time, were built in the days of smooth-bore guns, and when wooden walls were the only protection of guns afloat; but the masonry scarps of these defenses, long since out of date, would not adequately resist the fire of the powerful rifled guns with which the powers of Europe have armed their ships of war, and the casemates or gun-rooms are too small in all their dimensions for the use of modern sea-coast artillery. The fronts of modern casemated works are either constructed entirely of iron, or have massive shields of iron for the protection of guns and gunners. We have not a single work of either kind.

The parapets and traverses of earthen batteries, when constructed of thicknesses now deemed sufficient by military engineers, require great development of space, many times greater than formerly, and the sites at the headlands and within many of our harbors suitable for the defense of our cities, navy-yards, and arsenals of supply by means of such batteries are comparatively few. Most of these sites are now occupied by earthworks, some of which were constructed many years ago. Their parapets are thin, their traverses are not high enough or thick enough to meet the requirements of a good defense, and some are without any traverses whatever, and are antiquated and inefficient. While the remaining number of our earthen batteries are comparatively modern and have thick parapets, high and thick bonneted traverses, well-protected magazine and shell rooms, and platforms adapted for modern can-

non, they were but partially finished when Congress ceased to make appropriations for fortifications, and they are fast being destroyed by the elements by reason of their incompleteness.

In respect of submarine mines or torpedoes we are better prepared, although much remains to be done to make this part of our system complete, as will be seen further on. Although torpedoes cannot be relied upon alone to exclude the war ships of an enemy, for the reason that if he is not exposed to the fire of fortifications on shore he can by means of his boats grapple for and remove the torpedoes at his leisure, they are an indispensable adjunct to fortifications in modern harbor defense. As many torpedoes as the appropriations for the purpose have allowed have been purchased and stored in the fortifications of some of our principal harbors, ready to be planted in their channels and fairways and considerable numbers of electrical instruments for firing them from the shore have also been acquired. While this has been done, and the plans of the torpedo lines and groups have been prepared for some of the most important of our harbors, they could not successfully be utilized in the event of war for the want of the subterranean masonry galleries leading from the fortifications to low-water which are necessary for carrying the wires connecting the torpedo lines with the electrical instruments on shore. These instruments must be placed in chambers within the fortifications, hidden from the enemy's view and protected from his shot and shell. Nor have the chambers themselves been constructed, except in a very few instances, for the reason that appropriations have not been made for them, although this department has for some years past, in its annual reports, presented the impolicy of delaying these important constructions until the breaking out of foreign war.

In former elaborate reports from this department, especially the reports for the years 1880 and 1881, it has been endeavored to invoke the attention to our unpreparedness for war, and to show that modern fortifications require many years for their construction, and that we are almost utterly lacking in such fortifications; that neither our geographical position, nor our forbearance, nor the equity of our policy, can avail to prevent our being engaged, sooner or later, in foreign war; that when war comes in these days, it often comes suddenly; that to be prepared for war is often to prevent it; that some of the richest of our cities and the most important of our navy-yards and arsenals of supply for our armies are within easy reach of the naval depots of some of the most powerful of maritime nations, and that in a few days after the declaration of war it is possible for the enemy's fleets to run into our harbors and in a few hours destroy immense amounts of the property, which, under present conditions would be exposed to his shot and shell, and which has been estimated at \$2,000,000,000; that, however powerful in numbers and valor our armies may be, without the aid of fortifications and their accessories they cannot prevent the destruction of our seaboard cities by the ships of a maritime foe, and that, while reliance can be had in no other mode of defense, a defense by fortifications and torpedoes is the most efficient, the most enduring, and the least expensive.

Our present system of sea-coast defense is the same as that which has been steadily pursued by this department from the first, excepting the changes which have been brought about by the introduction of torpedoes into modern warfare (and these have added much more to the defense than to the attack), but our fortifications must be made very much stronger than formerly. The conditions which must be filled by this system may be stated as follows:

Efficient fortifications must command from the shores exterior to our

harbors all the waters from which the enemy can reach our cities and navy-yards with his shot and shell; the harbor mouths and all the narrow passes within them must also be occupied, and if nature has not afforded all the positions deemed requisite, others must, if practicable, be formed artificially, so that the enemy may nowhere find shelter from our fire while lying within our harbors, should he succeed in passing the outer lines of works. The harbor mouths and channels must be obstructed by lines of electrical torpedoes for holding the enemy's vessels under fire of the fortifications. These must be previously constructed and stored in the latter, and laid, on the advent of war, in systems, the plans of which have been carefully elaborated in time of peace by studies of the local charts and tidal currents, each harbor having its own system recorded in this department. The wires for conducting the current from the electric apparatus on shore must at the same time be laid securely in subterranean galleries, carried out to low-water, and the electric machines themselves must be placed in chambers within the fortifications, hidden from the enemy, and secured beyond all peradventure from his direct and curved fire. These galleries and chambers must be covered with heavy masonry arches and great masses of earth, and the former, to be efficient, must be indurated, and the latter compacted by time. The torpedo lines must be served by officers selected from the Engineers and Artillery, assisted by detachments from a torpedo corps of intelligent and skilled Engineer soldiers, and both officers and men must be thoroughly instructed in the theory and practice of electricity and torpedo obstructions, for they must know how to render the torpedoes instantly harmless for our own vessels or active against an enemy's. Heavy mortars must be placed in large numbers to command all those positions where an enemy is likely to anchor within their range, either for the purpose of tampering with or destroying our torpedo lines, or shelling our cities and public depots of military and naval supplies. The efficiency of mortar batteries against shipping is acknowledged by all military engineers; it is fully appreciated by the navies of all nations, and they are comparatively inexpensive. Our guns and mortars must be capable of piercing the sides of his iron-clads and of breaking in his decks, and they must be mounted in numbers sufficient to make it impossible for any of his fast-running war steamers to get past our works.

That our actual sea-coast defenses are far from filling these conditions is evident from what has preceded, and to this it may be added that our fortifications, such as they are, are but partially armed, even with the old ordnance; many of our gun batteries are without guns, and our mortar batteries are without mortars; we have no carriages for barbette guns of large size, except those which require the cannoniers to mount the parapet to load, thus exposing them to be picked off in detail by an enemy's sharpshooters; and we have less than two hundred Engineer soldiers for torpedo and all other engineer service, while five hundred and twenty is the least number which should be available to supply the detachments required for torpedo duty alone in our fortified harbors.

It is believed that there is hardly any civilized nation so illy prepared for war, as far as maritime defenses are concerned, as the United States. The European powers have not neglected to avail themselves of the results of their extended experiments and of the experience gained in modern wars, and they have expended large sums of money in the use of iron for their coast defenses, both in the form of turrets and of straight scarps, and to a limited degree in the construction of earthworks of great strength.

It may be that we are wiser than they in leaving the question of coast defense in abeyance; but the concurrent judgment and actions of nearly all other civilized countries respecting their own dangers does not warrant this opinion.

In this connection attention is invited to a preliminary report, which is appended hereto, by Lieutenant Bixby, Corps of Engineers, who, by your direction, has visited most of the maritime countries of Europe for the purpose of procuring certain information respecting their use of iron in sea-coast defenses. (See appendix 3, page 435.)

The estimates submitted, based on the several estimates of the officers in charge, exhibit the amounts which are deemed necessary for the commencement, the continuance, and the completion of the several works of defense during the next fiscal year.

Attention is invited to the estimate of \$100,000 for continuing the purchase of torpedoes, to be stored in our fortifications, and planted, on the advent of war, in the channels and fairways of our harbors, and for providing such portions of the electric apparatus by which the torpedo lines are to be fired as cannot readily be obtained in the event of sudden hostilities. The material is not liable to deteriorate, and in the judgment of the Board of Engineers for Fortifications not less than \$100,000 should be expended annually for several years to come in providing these most necessary supplies.

Attention is also invited to the item of \$200,000 for preparing our most important fortifications for operating torpedo lines, by providing bomb-proof chambers for the electrical apparatus, and the bomb-proof subterranean galleries through which the electric wires are to be carried to deep water; all these being essential to the operation of the torpedo system of defense in connection with the fortifications themselves. The Board of Engineers for Fortifications, whose suggestive and valuable report will be found on page 411, urges its views on this important matter as follows:

The debate in Congress upon the bill making provision for the current year renders it evident that the vast importance of preparing our forts for successfully operating and defending the torpedoes was not understood. Without such preparation it would be of little use to have them in readiness. They are all controlled by electricity. To convey the electrical current insulated wires must extend from a secure bomb-proof to each torpedo. If these wires are not buried so deeply in the earth as to be out of the reach of hostile artillery fire, a single lucky shot may destroy the power of exploding all the mines, and hence may open the channel to the enemy. Very few of our forts are provided with these bomb-proof operating-rooms and cable-shafts and galleries, and a special appropriation is required for constructing them. After the breaking out of war the needful time would be lacking, and this matter cannot be urged in too strong language. The cost will be small—probably \$200,000 would cover the more important stations on the Atlantic coast—and it is recommended that a special item for this purpose be inserted in the bill for the coming year. These preparations are as necessary to our torpedoes as triggers are to our rifled muskets; in fact, they may perform a like function.

I beg leave to quote from the same report the views of the Board of Engineers for Fortifications respecting the necessity for increasing the number of enlisted men in the Battalion of Engineers:

Before any reasonable expectation of successfully defending our coast with torpedoes can be entertained another matter should receive attention. Torpedoes will not plant and operate themselves. This must be done by soldiers specially trained in the use of electricity and instructed in certain difficult and delicate mechanical operations. In every nation this duty is devolved upon the Engineer troops, and Congress has made the same provision for our service. The Battalion organization provided by law is sufficient for the purpose; but the restriction of the total enlisted force of the Army to 25,000 men, and the pressing need of troops to perform police duty among the Indians on the plains, has so reduced the authorized strength of the Battalion that only about 100 men are under instruction for defending our whole sea-coast and lake frontier.

This difficulty is best met by the plan suggested by the General of the Army in 1879, viz, to place the Engineer troops upon the same footing as to recruiting as the Signal Service men. The latter are not included in the 25,000 men to which the strength of the Army is restricted by law. A provision to this effect would allow the President to recruit the Battalion to a maximum strength of 702 men, which would be sufficient for present needs. These men are excellent soldiers, thoroughly instructed and disciplined, and inferior to no others in the service. In the competition last year for the Nevada trophy, offered for excellence in marksmanship, and open to the entire Army, one of the Engineer companies took the second place. These troops are as available as any others for use as infantry in any sudden emergency, while their special training and knowledge as the Torpedo Corps of the Army would make them of inestimable value should our coasts be attacked by a maritime power. This increase would be restricted entirely to enlisted men, and would involve an expense insignificant in proportion to the interests involved.

The foregoing opinions of the Board of Engineers for Fortifications on the important questions just referred to, have my hearty concurrence.

I should add that for some years past the sum of \$175,000 has been annually appropriated for the protection, preservation, and repair of our fortifications, which more than any other national structures, with the exception, perhaps, of light-houses, are subject to the destructive and deteriorating effects of the sea. The same amount will be found in the estimates for the next fiscal year.

* * * * *

WASHINGTON AQUEDUCT.

Officer in charge, Lieut. Col. Thomas Lincoln Casey, Corps of Engineers.

The funds appropriated for the Washington Aqueduct for the past year were simply for its repair and maintenance and the necessary oversight, to insure a regular supply of water to the city.

During the year the level of the water in the distributing reservoir was raised to reference (146') above datum, and the quantity of overflow from this reservoir at the close of June was close upon 30,000,000 of gallons for twenty-four hours.

The estimates of the officer in charge for the fiscal year ending June 30, 1884, are as follows:

For engineering, maintenance, repairs, and construction \$55,000 00

By direction of the Secretary of War, the charge of the Washington Aqueduct was, August 11, 1882, transferred to Maj. G. J. Lydecker, Corps of Engineers, Engineer Commissioner of the District of Columbia; Lieutenant-Colonel Casey being relieved at his own request.

IMPROVEMENT AND CARE OF PUBLIC BUILDINGS AND GROUNDS IN THE DISTRICT OF COLUMBIA.

Officer in charge, Col. A. F. Rockwell, U. S. A.

In addition to the care extended to the public grounds in the District of Columbia necessary for their proper maintenance, such marked progress was made in the grounds south of the Executive Mansion as to cause them to present quite an inviting and park-like appearance. A most satisfactory improvement was made in Mount Vernon Square by the removal of the asphaltum carriage-ways formerly traversing it, and the small triangular reservation at the intersections of Rhode Island avenue and Ninth and Q streets northwest was graded, planted, and properly inclosed.

Attention is invited to the detailed report of the officer in charge, and his estimates for the coming fiscal year are recommended, as follows:

For improvement and care of public buildings and grounds.....	\$182,500 00
For compensation of persons employed on and around public buildings and grounds.....	48,400 00
For contingent and incidental expenses.....	500 00
For rent of office public buildings and grounds.....	600 00
	<hr/>
	232,000 00

MISSISSIPPI RIVER COMMISSION.

This Commission, organized under the provisions of the act of June 28, 1879, reports to and receives instructions from the Secretary of War through this office.

Information regarding the progress of the Commission in its duties was transmitted to Congress, as required by the above act, in a report dated November 21, 1881, which was printed as Senate Ex. Doc. No. 10, Forty-seventh Congress, first session.

This report of the Commission, exclusive of its appendixes, together with a minority report of Mr. James B. Eads, a member of the Commission, is attached. And also the message of the President of April 17, 1882, transmitting to Congress a letter from the Secretary of War, inclosing a recommendation from the Mississippi River Commission that an appropriation of \$1,010,000 might be made for closing existing gaps in levees in addition to the like sum for which an estimate had already been submitted. This was printed as Senate Ex. Doc. No. 159.

* * * * *

MILITARY, GEOGRAPHICAL, AND LAKE SURVEY MAPS.

In the Office of the Chief of Engineers.

The compilation of the new outline map of the Territory of the United States west of the Mississippi, scale $\frac{1}{1,000,000}$, has been completed; the northwestern sheet has been engraved on stone, and considerable progress has been made in engraving the southeastern and southwestern sheets.

The compilation of a new outline map of the United States on a scale of $\frac{1}{500,000}$ has been commenced, and some progress made.

The following maps have been photolithographed and an edition printed:

Map of Nebraska, scale $\frac{1}{250,000}$, by Capt. W. S. Stanton, Corps of Engineers, 1881.

Map of the Department of the Columbia, scale 16 miles to 1 inch, by Lieut. T. W. Symons, Corps of Engineers, 1881.

Map of the Mississippi River from Lake Itasca to the Falls of Saint Anthony, in 17 sheets, scale 1 mile to 1 inch, by Capt. Chas. J. Allen, Corps of Engineers, 1881.

Map of Lower Egypt and the adjacent country, compiled in the Office of the Chief of Engineers, 1882.

Plate 23, to illustrate the final report of the survey of the Northern and Northwestern Lakes.

The following have been engraved on stone and printed:

Map of the Department of the Columbia, prepared by Lieut. Thos. W. Symons, Corps of Engineers, 1882.

Plates 24, 25, 26, 27, 28, 29, and 30, to illustrate the final report of the survey of the Northern and Northwestern Lakes.

The following engraved plates of charts of the Northern and Northwestern Lakes have been electrotyped:

Lake Ontario coast chart, No. 2.

Lake Ontario coast chart, No. 4.

Lake Erie coast chart, No. 1.

Lake Erie coast chart, No. 4.
 North end of Lake Michigan.
 South end of Lake Michigan.
 Lake Michigan coast chart, No. 5.
 Lake Michigan coast chart, No. 6.
 Lake Michigan coast chart, No. 7.
 Detroit River.
 Saint Clair River.
 Saint Lawrence River.
 Lake Erie coast chart, No. 7, is in the hands of the engraver.

GEOGRAPHICAL SURVEYS OF THE TERRITORY OF THE UNITED STATES WEST OF THE ONE HUNDREDTH MERIDIAN.

Officer in charge, First Lieut. M. M. Macomb, Fourth U. S. Artillery.
 No field-work was done during the year, there being no funds available for that purpose.

The duties of the office have been confined to the reductions and computations necessary for putting unfinished map material in shape for publication and to the distribution of published maps and reports.

Three plotting sheets and seven final atlas sheets in hachures were completed.

Five other atlas sheets are in the hands of the compiler and final draughtsmen, and are in various stages of completion.

One new land-classification sheet was issued, and editions of Vol. VII, Archaeology, and Vol. III, Supplement—Geology, together with a second edition of the list of reports and maps, have been received from the Government Printer during the year.

The operations of this survey are being pushed to a close as rapidly as is possible with the present office force.

The amount originally appropriated for closing the work will not allow the publication of sufficiently large editions of the unissued maps, nor furnish reissues of those maps now out of print and which have undergone revision.

Lieutenant Macomb estimates that \$5,000 would cover the expense of such publication. His report with estimates is appended.

RECONNAISSANCES AND EXPLORATIONS.

The following-named officers have been on duty at the headquarters of the Army and at headquarters of the military divisions and departments, and have been engaged during the year in preparing such maps and making such surveys and reconnaissances as were required by their respective commanding officers:

Lieut. Col. O. M. Poe (colonel and aid-de-camp to the General of the Army).

Capt. James F. Gregory (lieutenant-colonel and aid-de-camp to the Lieutenant-General).

Capt. W. R. Livermore at headquarters Department of Texas.

Capt. W. S. Stanton, at headquarters Department of the Platte until August 22, 1881, and Lieut. Dan C. Kingman at same headquarters since September 29, 1881.

Lieut. T. N. Bailey at headquarters Department of the Missouri.

Capt. Edward Maguire at headquarters Department of Dakota.

Maj. W. A. Jones at headquarters Division of the Pacific.

Lieut. Carl F. Palfrey at headquarters Department of Arizona.

Lieut. T. W. Symons at headquarters Department of the Columbia.

Lieut. Col. O. M. Poe, Corps of Engineers, U. S. A., colonel and aid-de-camp to the General of the Army, also on duty as a member of the

Light-House Board, reports that the map of the operations at Savannah, Ga., in December 1864, has been photolithographed.

A map of the country between Chattanooga and Atlanta, and a map intended to illustrate the campaign from Atlanta to the Sea have been completed.

* * * * *

ESTIMATE FOR AMOUNT REQUIRED FOR MILITARY SURVEYS AND RECONNAISSANCES IN MILITARY DIVISIONS AND DEPARTMENTS.

For military surveys, reconnaissances, and surveys of military reservations by the Engineer officers attached to the various headquarters of military divisions and departments, being an average of \$5,000 for each of the nine military divisions and departments west of the Mississippi River, and \$5,000 for publication of maps; total, \$50,000.

OFFICE OF THE CHIEF OF ENGINEERS.

In the labors of the office the Chief of Engineers was assisted during the fiscal year ending June 30, 1882, by the following officers in charge of the several divisions:

FIRST AND SECOND DIVISIONS.—*Fortifications, Battalion and Engineer Depot, Lands, Armaments, Personnel, &c.*, Maj. George H. Elliot.

THIRD DIVISION.—*River and Harbor Improvements, &c.*, Lieut. Col. John G. Parke.

FOURTH AND FIFTH DIVISIONS.—*Property, Accounts, Estimates, Funds, Survey of the Lakes, Explorations, Maps, Instruments, &c.*, Capt. Henry M. Adams.

Very respectfully, your obedient servant,

H. G. WRIGHT,
*Chief of Engineers,
Brig. and Bvt. Major-General.*

Hon. ROBERT T. LINCOLN,
Secretary of War.

REPORT OF THE CHIEF OF ORDNANCE.

WAR DEPARTMENT, ORDNANCE OFFICE,
Washington, October 10, 1882.

SIR: I have the honor to submit the following report of the principal operations of the Ordnance Department during the fiscal year ended June 30, 1882, with such remarks and recommendations as the interests of this branch of the military service seem to require.

The fiscal resources and expenditures of the department during the year were as follows, viz:

Amount in the Treasury to the credit of the appropriations on June 30, 1881.....	\$400 186 11
Amount in the Treasury not reported to the credit of the appropriations on June 30, 1881.....	2 057 55
Amount in government depositories to the credit of disbursing officers and others on June 30, 1881.....	125 578 74
Amount of appropriations for the service of the fiscal year ended June 30, 1882.....	1 700 100 00
Amounts refunded to Ordnance appropriations by settling accounts during the fiscal year ended June 30, 1882.....	2 000 00

Gross amount received during the fiscal year ended June 30, 1882, from sales to officers, from rents, from collections from troops on account of losses of, or damages to, ordnance stores, from Chicago, Rock Island and Pacific Railway Company, from exchange of powder and projectiles, from sales of condemned stores, and from all other sources not before mentioned.....	\$390,403 56
Total.....	2,733,622 12
Amount of expenditures during the fiscal year ended June 30, 1882, including expenses attending sales of condemned stores, exchange of powder, &c.....	\$1,669,276 50
Amount deposited in Treasury during the fiscal year ended June 30, 1882, as proceeds of sales of government property.....	206,092 97
Amount lapsed into the Treasury from the appropriation "Ordnance material," under act of March 3, 1875, during the fiscal year ended June 30, 1882.....	16,988 88
Amount turned into the "surplus fund" on June 30, 1882.....	318 63
Amount in government depositories to the credit of disbursing officers and others on June 30, 1882.....	216,943 83
Amount transferred from ordnance appropriations in settling accounts during the fiscal year ended June 30, 1882.....	267 81
Amount in the Treasury not reported to the credit of appropriations on June 30, 1882.....	7,391 69
Amount in the Treasury to the credit of appropriations on June 30, 1882.....	616,341 81
Total.....	2,733,622 12

STATIONS AND DUTIES.

The stations and duties of the officers of the Ordnance Department are as follows: Three at the Ordnance Office; thirty-one at the arsenals, armory, agency, and powder depots; eight on the Ordnance Board and at the foundries; eight at the several military headquarters and ordnance depots; four at the Military Academy; one under the orders of the Secretary of the Interior; one in the Life-Saving Service, under the Secretary of the Treasury; and two on leave of absence, sick. Under the operation of existing laws one officer (Lieutenant Gordon) has been transferred to the department from the line of the Army, after passing a satisfactory examination.

The Ordnance Department provides the armament for our sea-coast defenses, and arms and other ordnance stores for the Army, the militia, the Marine Corps, all other executive departments, to protect public money and property, and the thirty colleges authorized by law to receive them for instruction. It has not only to provide these ordnance and ordnance stores of the very best quality and most perfect workmanship, but to determine on the most effective material for war purposes after long and careful study and trial, and endeavor to keep abreast of the hurrying progress of the age.

Rock Island Arsenal.—The interesting report of the commanding officer is herewith submitted. The work has been prosecuted with most commendable skill and economy.

Benicia Arsenal.—The last appropriation made by Congress for the workshops, will permit their erection at an early day, and place that arsenal in condition to do all the work required of it on the Pacific coast.

San Antonio Arsenal.—The liberal appropriation made by Congress for buildings will provide all the storage room and facilities for repairs, so necessary in an arsenal that supplies that long frontier.

Picatinny Powder Depot.—The commanding officer makes a detailed report of that reservation, and of the work already performed and to be done, in the establishment of that important depot of gunpowder. It

is hoped that Congress will continue to make liberal appropriations for it.

Frankford Arsenal.—The interesting report made by the commanding officer is herewith submitted. This being the only cartridge factory belonging to the government, it should be fostered and sustained by liberal appropriations.

Ordnance Notes.—I have also to submit some very valuable papers on Ordnance and other subjects, prepared by officers of the department. Such papers, published as "Ordnance Notes," have given very general satisfaction. They are distributed freely through the Army, and contain so much of the military literature of the day as to enable those on the frontier and far from books and periodicals to keep well informed of passing events and improvements.

SMALL-ARMS.

There were manufactured at the National Armory, Springfield, Mass., during the last fiscal year ending June 30, 1882, 23,428 arms, viz, rifles, carbines, officers' rifles, and shot-guns. A large amount of work, repairing, making spare parts, &c., was also done.

On June 30, 1882, there were on hand 53,542 arms as a reserve supply.

The Springfield breech-loading arms still continue to give satisfaction to the Army. As a single breech-loader for troops it has no superior, and it is confidently believed that it will hold its place until it is superseded by a magazine gun.

MAGAZINE GUNS.

On my recommendation Congress at its last session provided for the manufacture or purchase of a limited number of magazine guns, should any be recommended by the Board then in session and authorized by the previous Congress. That Board assembled on the 5th of July, 1881, Col. John R. Brooke, Third Infantry, as president, and continued in session until September 30, 1882—a period of fifteen months—when its report was submitted.

Forty guns on thirteen different systems—some being duplicates or modifications of others—were tried by the Board and subjected to certain tests. These forty guns were finally reduced to six, which were put through severe supplementary tests, and the three guns that stood all the tests most successfully and satisfactorily were recommended as "suitable for the military service." The guns, recommended in the order named, are the Lee, the Chaffee-Reece, and the Hotchkiss, and they represent the different systems of the detachable and fixed magazines.

These recommendations of the Board having been approved by the Secretary of War, steps will be taken to provide the guns as soon as the necessary information is obtained upon which to take action.

SPRINGFIELD SHOT-GUNS.

On the suggestion of Col. J. C. Kelton, Assistant Adjutant-General, a shot-gun was prepared at the National Armory, by applying a Springfield breech-loading system to a caliber .58 barrel, reamed out to No. 20 gauge. This was done at little expense, and gave such satisfaction that on the recommendation of the General of the Army two shot guns with ammunition have been issued to each company in certain designated regiments on the frontier to enable the soldier to hunt for birds and small game. The guns have continued to meet with so much favor that a sufficient number are now being prepared to supply every company west of the Mississippi.

MEDALS—REWARDS FOR TARGET PRACTICE.

General Order No. 53 of May 15, 1882 (substituted for General Order 44, series of 1881), provides that suitably inscribed gold and silver medals be awarded to the successful marksmen in the department, division, and Army contests—to become the absolute property of the winners. These medals are prepared at the Philadelphia mint, and are very creditable in design and finish, and will no doubt give the greatest satisfaction to the recipients and the Army. The last medals ordered are promised in three months, the preparation of the dies being delayed by other more important work. Next year, and thereafter, the medals will be ready before the contests begin, that their delivery to the successful men may be made on the spot.

ARMAMENT OF FORTIFICATIONS.

Herewith are submitted several reports of the "Ordnance Board," on tests and proof of guns and projectiles, made since the date of my last annual report.

In October last an 8-inch breech-loading rifle and an 11-inch breech-loading rifle, converted respectively from a 10-inch and a 15-inch smooth-bore, burst in proof by the rupture of the steel breech receiver made on the Krupp system. The fracture, commencing at the front corners of the slot for the breech block, next the cast iron, passed round the walls of the breech receiver in a plane transverse to the axis. Practically, the steel breech was blown off, leaving the cast-iron body intact. A thorough examination of the metal and fracture leads to the conclusion that the rupture was caused by defective design, aided perhaps by the character of the steel.

An 8-inch breech-loading rifle, with the sharp corners in the breech slot rounded off to prevent the beginning of rupture at those angles, endured 127 rounds, with charges of 50 and 55 pounds, of which 22 rounds were with a violent powder entailing high pressures—a most excellent record. The gun went all to pieces, showing that the parts gave equal support to the system, and proving the excellence of the combination of metals, when of suitable quality, and the design not faulty.

The four 12-inch rifles that were contracted for under act of May 4, 1880, have not been made. The design contemplated guns of cast iron, with wrought-iron tubes and steel breech-receivers, on the Krupp system. These receivers had to be ordered from abroad, but when received and carefully tested, the metal not being up to the standard, they were rejected. Further work on the preparations for making the guns was suspended to await the report of the Getty Board and the action of Congress on the Board's recommendations.

The "Act making appropriations for fortifications and other works of defense, and for the armament thereof, for the fiscal year ending June 30, 1882, and for other purposes," approved March 3, 1881, provides:

And the President is authorized to select a board, to consist of one engineer officer, two ordnance officers, and two officers of artillery, whose duty it shall be to make examinations of all inventions of heavy ordnance and improvements of heavy ordnance and projectiles that may be presented to them, including guns now being constructed or converted under direction of the Ordnance Bureau; and said board shall make detailed report to the Secretary of War, for transmission to Congress, of such examination, with recommendation as to what inventions are worthy of actual test, and the estimated cost of such test; and the sum of twenty-five thousand dollars, or so much thereof as may be necessary, is hereby appropriated for such purpose.

Under this act a Board, of which General George W. Getty was president, was convened, and after laborious sessions, extending through

ten months, made its report to the Secretary of War May 18, 1882. The Board in its report recommended for trial, and for construction and trial, the following guns, viz:

The Lyman-Haskell accelerating or multicharge gun, of 6 inches caliber, for trial.

Dr. W. E. Woodbridge's plan of a wire-wound cast-iron B. L. gun, wire soldered, of 19 inches caliber, for construction and trial.

Plan submitted by the Chief of Ordnance of a cast-iron B. L. gun hooped with steel, of 12 inches caliber, for construction and trial.

Plan submitted by the Chief of Ordnance of a cast-iron B. L. gun, hooped and tubed with steel, of 12 inches caliber, for construction and trial.

Plan submitted by the Chief of Ordnance of a cast-iron M. L. rifled mortar, hooped with steel, of 12 inches caliber, for construction and trial.

W. P. Hunt's plan of a steel B. L. gun, of 10 inches caliber, for construction and trial.

Dr. W. E. Woodbridge's plan of a brazed steel-wire B. L. gun, of 10 inches caliber, for construction and trial.

Plan submitted by the Chief of Ordnance of a steel-wire B. L. gun of 8 inches caliber, for construction and trial.

Dr. W. E. Woodbridge's plan of a steel B. L. gun, longitudinal bars, wire-wound and soldered, of 10 inches caliber, for construction and trial.

A wire-wrapped B. L. steel rifle, after the plan of Schultz, submitted by Col. S. Crispin, of 9 inches caliber, for construction and trial.

This report was transmitted to the Senate by the Secretary of War May 29, 1882, but no action was taken by Congress at its last session to carry out the recommendations of the Board.

These recommendations are now before Congress for its action, and the recent appointment by the Senate of a select committee "to take into consideration the subject of heavy ordnance and projectiles for the armament of the Navy and the sea-coast defenses," and who are to report "to the Senate at its next session," make it proper for the department to await the action of Congress before entering on the manufacture or conversion of heavy cannon.

With the very pressing need for sea-coast armament constantly before us, it should seem expedient to take every advantage of our own resources to help provide for our wants. It will doubtless be practicable for us to produce rifled guns of *moderate power* even from cast iron, provided the cast iron be suitably strengthened with steel hoops, or, better, with hoops on the exterior and a steel tube on the interior. Such guns, however, are very *heavy* in proportion to their power. The substitution of steel wire for the hoops would seem to be an advantageous modification, and its trial, as recommended by the Board, promises important results. A similar plan is now being tried with experimental cast-iron guns in France. For the manufacture of rifled mortars, cast iron strengthened with steel hoops may be used to advantage. In the mortar very great strength is not needed, as the charges employed are small; but since its fire is comparatively uncertain, it is necessary, in order that it may be effective, that what it lacks in accuracy may be made up by the number of mortars used. With such pieces, therefore, cheapness and facility of production are essential requirements, and the small charge and short bore admit of using a comparatively light mortar.

The material out of which *full power* guns must be made is unquestionably steel. All the first class powers of Europe have adopted it. Even those that have spent more millions than we have thousands in

the effort to determine on the most reliable metal for gun construction, are abandoning cast and wrought iron, either simple or in combination with other metals, and are now devoting their attention to steel, and to steel alone. The marvelous strides in gun construction made within a year or two in the manufacture of guns of great strength and high power, point to the conclusion that encouragement should be given in every way possible to the manufacture of steel in large masses suitable for this purpose. At present tentative efforts have developed but little to encourage the hope that steel guns for coast defense can be produced in this country. The use of wire-wound guns, if they prove as successful as recent experiments here and abroad make us hope, will greatly simplify the problem, by limiting the number and size of the steel masses needed, while the wire itself can now be procured from our own manufacturers. Under the most favorable circumstances, however, the country is in no condition at this time to undertake such constructions wholly out of home products, and the subject is of sufficient importance to arrest the attention and receive the careful consideration of Congress. This subject can only be successfully met either by establishing a national foundry or by assisting and encouraging private foundries to procure the necessary plant and experience.

POWDERS.

Some further experiments have been made during the past year to ascertain the suitability of our molded powders for heavy guns, employing large charges. With a coarse granulation and high density some very satisfactory results have been obtained.

With the 12.25-inch M. L. rifle, the charge has been augmented to 180 pounds, imparting a velocity of over 1,500 feet to a 700-pound shot without entailing a pressure of more than 29,000 pounds per square inch of bore.

It is probable that the charge may be still further increased without overstraining the gun. With a greater length of bore, such as could be profitably employed with these large charges, there is no doubt but that a considerably higher velocity would be attained. The subject of prismatic powders, of types similar to those employed in European experiments, has also been under consideration, and arrangements have been made to procure trial samples whenever we shall obtain a suitable gun for testing them.

It is believed, however, that our own type of powders possesses a sufficiently wide range of adaptability to enable us to meet very largely, if not to the utmost, the present requirements of heavy guns. It is my intention at least to continue *their development* by further experiments.

PROTECTION OF SUBMARINE MINES.

In February last the Chief of Engineers referred to me a report of the Board of Engineers for Fortifications of February 15, 1882, on the proper means of defending torpedo fields, and recommending volleys from large-bored guns, fired automatically—these guns to be so arranged as to sweep the whole space occupied by the mines and cables. The board suggested that experiments be made to determine suitable kinds of projectiles for the most effective flanking of torpedo lines, and that the attention of this department be invited to the subject. The papers were at once submitted to the Ordnance Board, with the necessary instructions to carry on such experiments as may enable this department to successfully meet this great want in the proper defense of our harbors.

LIGHT ARTILLERY BOARD.

In April, 1881, General Orders No. 39 convened a Board of artillery officers, of which Col. J. C. Tidball was president, "to consider the recent changes in guns, harness, and equipments for light batteries." The action of such a Board I deemed of the first importance, as little had been done in that direction for some years.

The Board made a preliminary report to enable this department to manufacture samples of carriages, harness, &c., embodying its views, so as to present to a subsequent Board the articles or improvements recommended, that action might be taken on practical results. The preparation of a metal field carriage, limber, and caisson has been greatly delayed by the difficulty of procuring suitable material in proper shapes, but it is confidently believed that we will be ready for the action of an artillery board at an early day.

The large amount of artillery and its supplies left from the war, and the small appropriations available for such purposes, has deterred the department from entering until now upon the increased expenditures attendant on the introduction of new material. The adoption of steel breech-loading field guns in all the armies of Europe calls for experimental action on our part, and I have now in course of preparation a design for a steel B. L. gun suited to the wants of our service, and have directed inquiries to be made into the possibility of making such a gun in this country from the products of our own foundries and workshops. It is believed that, with proper encouragement, field guns can be made here without the necessity of going abroad for the steel.

U. S. TESTING MACHINE.

The report, by the commanding officer of the Watertown Arsenal, of tests of iron and steel, and other materials for industrial purposes, made during the last fiscal year, has been received, and will be submitted for transmission to Congress at the opening of the next session, as provided by law. In the last Army appropriation bill it is provided:

And the Chief of Ordnance shall give attention to such programme of tests as may be submitted by the American Society of Civil Engineers, and the record of such tests shall be furnished said society, to be by them published at their own expense.

I recommended the passage of this provision, believing it to be for the best interests of the public that those who are so largely interested in prominent and important constructions could best advise the department as to the tests most needed for present and future use. I was anxious that authority be given by Congress to publish monthly bulletins of tests made, that the engineer and the manufacturer might have the earliest possible information.

The results given by the testing machine are for the benefit of the whole country, and the people should be permitted to utilize the results as fast as they are obtained. This can only be effected by their immediate publication, and I respectfully recommend that this be authorized.

The capacity of the machine is limited to tests of extension and compression. I have been advised by distinguished civil engineers and by the commanding officer Watertown Arsenal that either additions to the present machine or additional machines should be provided for the tests of torsional and transverse resistance. The latter is believed to be the better plan, and two other machines ought to be built. I have, therefore, submitted estimates of \$100,000 for the purpose.

MILITIA.

To more completely arm and equip the whole body of the militia, as contemplated by the act of 1808 making an annual appropriation of

\$200,000, that amount should be largely increased. The bill (S. 1596) reported from the Senate Committee on Military Affairs, and now on the calendar, provides for a substantial increase to this appropriation, and contains other important provisions which would result in the greatest benefit to the militia. I strongly recommend its passage. It is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section sixteen hundred and sixty-one of the Revised Statutes be, and the same is hereby, amended and re-enacted so as to read as follows:

SECTION 1. That the sum of six hundred thousand dollars is hereby annually appropriated, to be paid out of any money in the Treasury not otherwise appropriated, for the purpose of providing arms, equipments, ammunition, ordnance stores, and tents for the militia.

SEC. 2. That said appropriation shall be apportioned among the several States and Territories on the books of the Ordnance Department by the Chief of Ordnance of the Army, under the direction of the Secretary of War, according to the number of Representatives or Delegates to which each State and Territory respectively is entitled in the Congress of the United States: *Provided, however,* That each State and Territory shall only be entitled to the benefits of so much of the appropriation apportioned to it as the proportion of the number of its regularly enlisted, organized, and uniformed active militia, as determined by the report of the Secretary of War made on the preceding first Monday in February, bears to the maximum number of active militia for which such State or Territory is entitled to the benefits of this act. And the amount of said appropriation which is thus determined not to be available shall be covered back into the Treasury.

SEC. 3. That in time of peace the number of active militia for which each State and Territory shall be entitled to receive its apportionment of the appropriations made by this act shall not exceed six hundred regularly uniformed-commissioned officers and enlisted men for each Representative and Delegate to which such State or Territory is entitled in the Congress of the United States.

SEC. 4. That the purchase or manufacture of ordnance, ordnance stores, and tents for the militia under the provisions of this act shall be made by the Chief of Ordnance of the Army, under the direction of the Secretary of War, and they shall be receipted for and shall remain the property of the United States, and be annually accounted for to the Chief of Ordnance of the Army by the governors of the States and Territories, for which purpose the Chief of Ordnance of the Army, under the direction of the Secretary of War, shall prescribe and supply the necessary blanks, and make such regulations as he may deem necessary to protect the interest of the United States.

SEC. 5. That all arms, equipments, ordnance stores, or tents which may become unserviceable or unsuitable shall be examined by a board of officers of the militia, and its report shall be forwarded by the governor of the State or Territory direct to the Chief of Ordnance of the Army for the action of the Secretary of War, who shall direct what disposition, by sale or otherwise, shall be made of them; and the proceeds of such sale shall be covered into the Treasury of the United States.

SEC. 6. That for all the purposes of this act the District of Columbia shall be accounted and treated as a Territory entitled to one Delegate in Congress.

The following quotations are from the committee's report, which accompanies the bill:

That in addition to the resolution instructing us to consider the propriety of increasing the annual appropriation for the militia, there have been referred to us a large number of petitions from the officers of the militia relative to an increase of the appropriation and other amendments to the existing militia law.

And again:

A simple statement of fact appears to be a sufficient response to the resolution of the Senate. That an appropriation fixed in 1808 to provide for seventeen States, with a population of eight millions, is inadequate to provide for thirty-eight States with a population of fifty millions needs no argument. The Chief of Ordnance has for many years urged Congress to increase the appropriation; it was considered and favorably reported to the Senate by this Committee in the Forty-fifth Congress, and we think it would be difficult to conceive any reasonable argument against it. * * *

It will be perceived that no provision is made as to the mode of apportioning the appropriation between the States, no requirements for accountability for the property furnished, or limitation on the disposition that the States may make of it. The greatest defect of the law, however, is that it does not allow the furnishing of tents and other articles necessary to provide for camps of instruction. To this omission of the law is largely due the disparity between the different States in the strength and efficiency of the militia.

* * * We accordingly report herewith a bill to increase the annual appropriation to \$600,000, and making provisions for its apportionment, and for the care, accountability, and disposition of property issued under it. We also provide in the bill that each State shall only receive such proportion of the amount apportioned to it as the actual number of its active militia bears to a fixed maximum, and we believe this provision wisely calculated to foster and encourage the formation of volunteer organizations in those States where but few now exist.

There have been no material changes in the law relative to the organization of the militia since its original enactment in 1792, and it is obvious that many of its provisions are now obsolete and many amendments desirable.

Our standing army is a small one. For the defense of the country our main dependence is on our militia. The militia should, therefore, be kept in the best condition possible for actual service. Volunteer organizations in every State and Territory should be encouraged, and every effort made to promote their efficiency in drill and discipline, and make them skillful in the use of their arms. It is the best way, and the only way, to render them a sure and safe reliance on the breaking out of war, and before a little campaigning has inured them to hard service and disciplined them into old soldiers.

It is earnestly recommended that the special attention of Congress be invited to this subject, in order that the bill above quoted may receive favorable consideration at the ensuing session.

I have the honor to submit the following papers, heretofore referred to:

Appendix 1.—Statement of principal articles procured by fabrication at the arsenals during the year ended June 30, 1882.

Appendix 2.—Statement of principal articles procured by purchase at the arsenals during the year ended June 30, 1882.

Appendix 3.—Statement of ordnance, ordnance stores, &c., issued to the military establishment, exclusive of the militia, during the year ended June 30, 1882.

Appendix 4.—Apportionment for the fiscal year ended June 30, 1882, of the annual appropriation of \$200,000 for arming and equipping the militia, under sections 1661 and 1667 Revised Statutes.

Appendix 5.—Statement of ordnance, ordnance stores, &c., distributed to the militia from July 1, 1881, to June 30, 1882, under section 1667 Revised Statutes.

Appendix 6.—Statement of arms, ammunition, &c., distributed to the Territories and States bordering thereon from July 1, 1881, to June 30, 1882, under the joint resolutions of July 3, 1876, March 3, 1877, and June 7, 1878, and the act of May 16, 1878.

Appendix 7.—Statement of ordnance, ordnance stores, &c., distributed to colleges from July 1, 1881, to June 30, 1882, under section 1225 Revised Statutes.

Appendix 8.—Statement of arms and ammunition issued to the executive departments during the year ended June 30, 1882, under the provisions of the act of March 3, 1879.

Appendix 9.—Report of action taken during the year ended June 30, 1882, under the provisions of the act approved March 3, 1881.

Appendix 10.—Report of the principal operations at the Rock Island Arsenal, Illinois, during the fiscal year ended June 30, 1882, Lieut. Col. D. W. Flagler, Ordnance Department, commanding.

Appendix 11.—Report of the principal operations at the Benicia Arsenal, California, during the fiscal year ended June 30, 1882, Col. J. McAllister, Ordnance Department, commanding.

Appendix 12.—Report of the principal operations at the Piccatinny powder depot, New Jersey, during the fiscal year ended June 30, 1882, Maj. F. H. Parker, Ordnance Department, commanding.

Appendix 13.—Report of the principal operations at the Frankford Ar-

senal, Pennsylvania, during the fiscal year ended June 30, 1882, Maj. S. C. Lyford, Ordnance Department, commanding.

Appendix 14.—Report for the year ended June 30, 1882, by Capt. F. Heath, Ordnance Department, commanding the Cheyenne Depot.

Appendix 15.—Report for the year ended June 30, 1882, by Capt. S. E. Blunt, chief ordnance officer, Military Department of Dakota.

Appendix 16.—Proof report, &c., of 8-inch breech-loading rifle No. 5.

Appendix 17.—Report of the Board on Heavy Ordnance and Projectiles, under act approved March 3, 1881.

Appendix 18.—Progress report on experimental cannon powders, by Capt. Charles S. Smith, Ordnance Department.

Appendix 19.—Report on European ordnance and manufactures, by Col. S. Crispin, Ordnance Department.

Appendix 20.—Reports on the inspection of projectiles, by Lieut. Henry Borup, Ordnance Department.

Appendix 21.—Present method of target practice at the Frankford Arsenal, by Lieut. M. W. Lyon, Ordnance Department.

Appendix 22.—The manufacture of russet leather, and its adaptability for the military service, by Capt. D. A. Lyle, Ordnance Department.

Appendix 23.—Vent-punch and gimlet for the Life-Saving Service, by Capt. D. A. Lyle, Ordnance Department.

Appendix 24.—Assembling, and wearing infantry equipments, by Capt. A. L. Varney, Ordnance Department.

Appendix 25.—Cartridges and friction primers for the military service, by Lieut. Col. J. M. Whittemore, Ordnance Department.

Appendix 26.—Mechanical motion, by Lieut. Col. A. R. Buffington, Ordnance Department.

Appendix 27.—Metrical into United States measures, and *vice versa*, by Lieut. Rogers Birnie, Ordnance Department.

Appendix 28.—Determination of the accuracy of small-arm firing, by Capt. O. E. Michaelis, Ordnance Department.

Appendix 29.—Report on Cranston's safety lighting attachment, by Capt. D. A. Lyle, Ordnance Department.

Appendix 30.—Report of the Board on Magazine Guns.

Appendix 31.—Deviations of small-arm projectiles, by Capt. John E. Greer, Ordnance Department.

Appendix 32.—Showing the stations and duties of the officers of the Ordnance Department.

Appendix 33.—Proof of 11-inch breech-loading chambered rifle No. 1, by Capt. Charles S. Smith, Ordnance Department.

REPORTS OF THE ORDNANCE BOARD.

Appendix 34.—Report on the 11-inch breech-loading chambered rifle No. 1.

Appendix 35.—Report on the steel parts of 11-inch breech-loading chambered rifle No. 1.

Appendix 36.—Report on the 8-inch breech-loading chambered rifle No. 2.

Appendix 37.—Report on the steel for 12-inch breech-loading guns and mortar howitzer.

Appendix 38.—Report on the comparative trials of the Butler and Arrick projectiles.

Appendix 39.—Report on protection of magazines from lightning.

I have the honor to be, very respectfully, your obedient servant,

S. V. BENÉT,

Brigadier-General, Chief of Ordnance.

To the Hon. SECRETARY OF WAR.

REPORT
OF THE
SECRETARY OF THE NAVY.

NAVY DEPARTMENT,
Washington, November 29, 1882.

To the President:

SIR: The available cruising war-vessels of the Navy are—

One first-rate, the

Tennessee,

Of 4,840 tons displacement;

Fourteen second-rates, the

Trenton,

Lancaster,

Brooklyn,

Pensacola,

Richmond,

Hartford,

Alaska,

Omaha,

Lackawanna,

Ticonderoga,

Vandalia,

Monongahela,

Shenandoah, and

Powhatan,

Varying in displacement from 2,100 to 4,000 tons;

And twenty-two third-rates, the

Juniata,

Ossipee,

Quinnebaug,

Swatara,

Galena,

Marion,

Mohican,

Iroquois,

Wachusett

Wyoming

Tuscarora,
Kearsarge,
Adams,
Alliance,
Essex,
Enterprise,
Nipsic,
Yantic,
Ashuelot,
Monocacy,
Alert, and
Ranger,

Varying in displacement from 900 to 1,900 tons;

Making in all thirty-seven.

The last four, of less than 1,400 tons displacement, have iron hulls; all the others are built of wood.

These vessels are creditable in their appearance, commodious in their quarters for officers and seamen, well adapted for ordinary naval exercises, and useful for displaying the national flag upon the seas and in the harbors of the commercial world. But they are of low speed; their engines are not modern, only fourteen being compound; and their steaming, maneuvering, and destructive powers are inferior to those of the present war ships of other navies. It is not the policy of the United States government to maintain a large navy, but its reputation, honor, and prosperity require that such naval vessels as it possesses should be the best which human ingenuity can devise and modern artificers can construct. Our present vessels are not such, and cannot be made such. They should be gradually replaced by new iron or steel cruisers, and allowed to go out of commission. The naval appropriation act of August 5, 1882, provides that no repairs shall be made "of any wooden ship where the estimated cost of such repairs shall exceed thirty per centum of the estimated cost of a new ship of the same size and like material." This wise provision should be adhered to in future appropriations, and the limitation of repairs fixed at twenty per cent or less. The present wooden ships should receive only such moderate repairs as will enable them to serve the purposes of the government until a new modern navy shall, without undue haste and with due economy, be constructed, which will fitly represent the power and protect the interests and honor of the nation.

ARMORED VESSELS.

The available armored vessels are:

Thirteen fourth-rates, the single-turreted monitors
Ajax,
Canonicus,
Camanche,

Catskill,
Jason,
Lehigh,
Mahopac,
Manhattan,
Montauk,
Nahant,
Nantucket,
Passaic, and
Wyandotte,

Varying in displacement from 1,800 to 2,100 tons.

These monitors were built in 1862 and 1863; have no speed; carry each two large smooth-bore guns of small power and short range; and have been mostly laid up, since their use in the late war. As they are our only vessels for harbor defense they have not yet been broken up, and during the past summer three have been repaired, placed in commission, and put in motion—the Montauk in the Delaware River, the Nantucket in the Hudson River, and the Passaic at and near Hampton Roads, with indifferent results.

ORDNANCE.

The guns of the Navy are—

2,233 smooth-bore muzzle-loading cannon of various calibers.

77 Parrott muzzle-loading 40-pound rifles.

267 similar 80-pound rifles.

51 muzzle-loading 180-pound converted rifles.

26 breech-loading 40-pound converted rifles, and

10 breech-loading 80-pound converted rifles.

The eighty-seven converted rifles have fair power, and may be considered useful for the present. The Parrott rifles were made during and immediately after the rebellion; they might in an emergency serve a subordinate purpose as part of our armament, but are in no real sense suited to the needs of the present day. The smooth-bore guns are incapable of contending with rifled guns throwing one-half their weight of shot.

With not one modern high-powered cannon in the Navy, and with only 87 guns worth retaining, the importance of action for the procurement of naval ordnance seems apparent, if the Navy is to longer survive.

OFFICERS AND SEAMEN.

To command and handle thirty-one such ships and 264 such guns, now afloat, the naval establishment sustained on July 1 the following officers, seamen, and apprentices:

937 officers, then on sea duty, receiving an annual pay of.....	\$1, 880, 900
644 on shore duty and other duty (omitting cadets at the academy), receiving	1, 568, 200
236 waiting orders and receiving.....	376, 300
(being 1,817 officers in all, receiving \$3,825,400;)	
7,074 seamen, receiving	2, 170, 096
950 apprentices, receiving.....	152, 556
While there were also 301 officers on the retired list, receiving.....	703, 180
To these should be added:	
77 officers of the Marine Corps, receiving.....	174, 040
500 non-commissioned officers and musicians, and 1,500 privates, receiving.....	389, 052
13 officers on the retired list, receiving.....	25, 858
Making the total annual pay of the Navy and Marine Corps.....	7, 440, 182

The enormous disproportion of 1,817 naval officers to thirty-one vessels in commission, being 59 officers to each ship, and one officer to every five seamen, with the possibility of the addition each year to the Navy of 50 cadet-midshipmen from one-sixth the Congressional districts in the country, and of 25 cadet engineers, induced Congress, at the last session, to prohibit the increase of the naval officers, and to direct a slight gradual reduction. The act of August 5, 1882, provided that thereafter no appointments in the Navy from graduates of the Naval Academy should be made except to fill vacancies; that no promotions should be made in the principal staff corps until the Medical Corps should be reduced 10, the Pay Corps 30, and the Engineer Corps 100, and that only one-half the vacancies in the line above the grade of midshipman should be filled by promotion, until there should be a reduction of 4 rear-admirals, 15 commodores, 5 captains, 5 commanders, 6 lieutenant-commanders, 30 lieutenants, 25 masters, and 25 ensigns.

This reduction of 140 staff and 115 line officers by the gradual process of leaving vacancies unfilled works no real injustice to a single naval officer. The reduced number of 1,562 officers will be amply sufficient for all the necessities of the service, even if the cruising vessels of the Navy should be doubled. The reduction provided for by the statute should be insisted upon, and it is worthy of consideration whether a still further reduction, by abolishing the grade of master and reducing the number of lieutenants to 225, may not be made without injury to the service and with profit to the government. If the grade of master is retained the name should be changed to sub-lieutenant.

The necessity of any further reduction of the naval officers might be obviated by extending the sphere of their active employment. The situation and policy of the United States make it improbable that the country will soon or often be engaged in naval warfare. The opportunities for naval officers to practice the art of actual war are remote. Yet the national safety depends upon maintaining, instructing, disciplining, and practicing at all times a reasonable naval force. To this end the officers and seamen of the Navy should perform all the work required for the purposes of the national government upon or in direct connection

with the ocean. This clear and salutary principle should be deliberately adopted and effectually enforced in all proper methods by the national Congress; and, if it should be thus fully recognized and applied in all practicable ways, it would vastly invigorate, improve, and strengthen the Navy, without increased expense to the government, but, on the contrary, with results of positive economy.

The efficiency of the naval service will be promoted by altering the present unvarying law of promotion by seniority and allowing all promotions to the grade of rear-admiral to be made by selection from the commodores or captains. The mode of selection might wisely be prescribed and regulated by law. The grade of commodore is unnecessary, and should be abolished by omitting to fill vacancies as they happen; and, if not so abolished, all promotions to this grade should be made by selection from the captains.

FAVORITISM IN THE NAVY.

Military administration should be controlled by neither personal, social, or political motives. The orders to every naval officer should be determined after, first, a consideration of the public interests, and secondly, an impartial comparison of the record and services of the officer with those of other officers of like grade. If unjust orders are issued, the officer can freely state the injustice directly to the Secretary, asking a reconsideration, and his representation will have due and candid consideration. The interference of others, if to secure only what is right, is unnecessary; if to accomplish what is wrong, is intolerable. An officer who will procure or knowingly allow such undue interference may be charged with unbecoming conduct. Nevertheless, the practice has prevailed of soliciting and procuring favoritism for officers, by such devices and with such pertinacity and influence as to create a system resistance to which may make unenviable the position of the head of the department. But if it is allowed to continue, the naval service will eventually become fatally demoralized. The effort will be made to order the detail of officers of the Navy with as much justice and impartiality as the lot of humanity will admit.

NAVY-YARDS.

During the rebellion the facilities of the navy-yards for building and repairing ships were taxed to the utmost, and were naturally enlarged and extended to meet the pressing requirements of the moment. The result is that we now have seven large yards in full and expensive operation, at Portsmouth, N. H., Boston, New York, League Island (Philadelphia), Washington, Norfolk, and Mare Island, Cal.; one other, less used, at Pensacola, Fla., on which large sums have been expended; and one in embryo at New London, Conn.; with additional naval stations at

Key West, Fla., New Orleans, La., Sackett's Harbor, N. Y., Mound City, Ill., and Port Royal, S. C.

The eight working yards cover 2,498 acres; have commodious and costly docks, immense workshops and storehouses, numerous dwellings, barracks and stables, and heavy and expensive machinery and tools for the construction and repair of ships, and the manufacture of ordnance, cordage, clothing, and all the equipments of vessels.

The total cost of permanent improvements and repairs, including the sites, at these yards, from their establishment to June 30, 1882, was—

Portsmouth.....	\$4,294,801 27
Boston	7,385,517 34
New York.....	11,505,128 70
Philadelphia (old yard).....	2,954,175 43
League Island	1,737,321 51
Washington	4,293,162 85
Norfolk	7,754,004 68
Mare Island.....	8,002,441 47
Pensacola.....	6,301,219 42
Total	54,227,772 67

Total expenditures under the Bureau of Yards and Docks for the fifteen years ending June 30, 1882.

Navy-yards.	Civil estab- lishment.	Contingent, afterwards maintenance.	Repairs and preservation.	Improvements	Contingencies and emergen- cies.	Total.
Portsmouth.....	\$107,462 31	\$974,202 65	\$670,766 11	\$153,957 38	\$1,000 00	\$1,907,388 45
Boston	132,434 94	1,589,733 52	1,133,056 76	112,915 19	71,607 88	3,039,808 29
New York	138,536 91	2,165,343 00	1,005,969 76	912,995 38	35,814 14	4,258,659 19
Philadelphia (old yard).....	79,550 32	540,898 80	304,868 93	102,011 81	7,962 68	1,035,292 54
League Island	51,794 21	601,075 65	376,987 66	1,414,410 88	128,669 00	2,572,937 40
Washington	110,702 91	1,138,236 57	708,189 27	15,554 25	30,086 58	2,002,769 58
Norfolk	108,395 40	1,271,742 65	841,971 78	364,755 89	9,481 34	2,596,347 06
Mare Island	134,786 31	1,457,845 99	877,532 07	2,136,297 66	77,931 08	4,684,393 11
Pensacola.....	56,879 53	538,858 46	427,947 08	742,934 16	80,961 95	1,847,581 18
	920,542 84	10,277,937 29	6,347,289 42	5,955,832 60	443,574 65	23,945,176 80

Total expenditures under all bureaus, 1877 to 1881.

(Excluding Mare Island.)

	For support of yards.	For construction and repairs of vessels, and for all other objects than support of yards.		
		Labor.	Material.	Total.
Expended during—				
1877.....	\$1,982,994 62	\$811,172 01	\$1,290,188 47	\$2,101,360 48
1878.....	2,278,966 88	1,323,645 05	1,481,248 67	2,804,893 72
1879.....	2,126,281 03	1,200,967 15	1,296,322 69	2,497,289 84
1880.....	2,650,691 79	982,618 38	966,492 71	1,977,111 09
1881.....	2,266,828 23	1,143,652 18	1,464,666 84	2,608,319 02
	10,714,702 55	5,463,054 77	6,525,919 38	11,988,974 15
Expended at each navy-yard:				
Portsmouth.....	1,106,368 07	816,212 47	698,718 54	1,504,931 01
Boston.....	1,384,228 55	1,001,718 59	1,184,849 55	2,186,568 14
New York.....	2,656,160 85	1,231,075 50	2,157,531 87	3,388,667 43
League Island.....	1,969,490 97	453,362 70	521,482 87	974,845 57
Washington.....	1,706,342 50	1,155,050 43	1,233,521 20	2,388,571 63
Norfolk.....	1,641,197 77	778,764 90	689,046 43	1,467,811 23
Pensacola.....	891,062 84	32,870 22	40,768 92	73,639 14
	10,714,702 55	5,463,054 77	6,525,919 38	11,988,974 15

The following statement shows the number of naval officers, seamen and marines, and of civil employees and workmen engaged at the navy-yards on the 16th day of November, 1882, with the compensation paid the employees and workmen on that day, and what work was then in progress on ships of war.

Navy-yards.	Civil commissioned and warrant officers.		Enlisted men and marines.	Employees other than ordinary mechanics and workmen.		All other employees.		Total employees.		Work in progress on ships of war.
	No.	No.		No.	Pay-roll Nov. 16.	No.	Pay-roll Nov. 16.	No.	Pay-roll Nov. 16.	
Portsmouth....	23	81	75		\$258 88	691	\$1,681 32	766	\$1,940 20	Repairing Omaha and Plymouth.
Boston.....	55	28	115		368 41	336	792 38	451	1,150 79	Repairing Shenandoah.
New York.....	72	1,008	165		360 76	664	1,369 22	767	1,699 98	Repairing Trenton.
League Island..	37	508	64		238 88	325	834 27	389	1,002 15	Repairing Ossipee.
Washington....	43	123	191		66 89	545	1,168 49	649	1,459 38	None.
Norfolk.....	50	365	166		318 59	397	1,265 28	703	1,583 82	Do.
Pensacola.....	8	30	19		61 04	84	144 85	107	212 89	Do.
Mare Island...	38	309	71		307 27	593	1,752 89	664	2,060 16	Repairing Mohican and Albat.
Total at all yards....	326	2,501	657		2,179 72	3,805	9,139 65	4,462	11,310 37	

It is clear that these eight navy-yards, involving so large an investment of original capital and such extravagant expenditures for maintaining them and doing work therein, will not be required by any present or prospective wants of the country. Whether we are to maintain an obsolete wooden navy or to construct new modern iron or steel war-ships, no such number and extent of navy-yards will be needed. No

advocate of a stronger and better navy urges the construction of many ships or the maintenance of a large fleet. Upon any view, the magnitude of our present navy-yards is grossly out of proportion to the use to be made of them under any system of construction and repair of vessels or with any naval fleet likely to be built or maintained.

The problem thus presented, what is to be done with the navy yards, is not easy of immediate solution. If new iron and steel ships are to be built or repaired in any of them, essential changes and expensive additions must be made. It is not probable that for this purpose more than two or three yards need be fitted up as complete modern naval workshops. But it is impossible now to decide what yards should be thus specially selected. It is also by no means clear that every other yard will not be wanted, if not for the construction or repair of vessels, yet to be used as a naval station and arsenal for war material for the Navy. At the harbors of Boston and New York this government should not be without a pier or landing-place of its own at which its naval vessels can touch, nor wholly dependent upon private facilities. Any hasty discontinuance and sale of any of our yards will result in low prices, while if subsequent purchases of naval stations in the same harbors become necessary, the cost will be so great that the government will find itself a large loser at the end of the process of sale and repurchase, by each of which land-speculators alone will have profited.

To aid in deciding this difficult question, Congress in the act of August 5, 1882, directed the Secretary of the Navy to appoint a Commission to consider and report whether it is advisable to sell any of the navy-yards, and if so, which; and to report also certain facts, and their opinions thereon, bearing upon the question of sale or retention. This commission was appointed October 9, 1882, consisting of Commodore S. B. Luce, Chief-Engineer Charles H. Loring, and A. B. Mullett, Esq., and they are actively engaged in the investigations necessary to enable them to perform the duties imposed by Congress.

The immediate duty of the government with reference to the management of the navy-yards is, however, not doubtful. The expenses of maintaining them and of preserving the public property therein should be reduced to the lowest possible amounts; all unnecessary work should be discontinued, and all employees not needed should be dismissed. Progress in this direction has been commenced, in consequence of the clause in the act of August 5, 1882, authorizing the Secretary to close some of the yards rather than make any deficiency for their maintenance or for their civil establishment. A considerable reduction of the civil employees paid from the appropriations for those purposes has been accomplished, and more discharges are contemplated and will be made, in accordance with the intention of the act that no person should be employed and that no work should be done except for the advantage of the service and with economy to the government. But it has not yet been found necessary to close any navy-yard under the authority given by Congress.

It is feasible to reduce the expenses of maintaining the navy-yards to very low amounts by making the utmost possible use of the officers and men of the Navy and of the Marine Corps. No valid reason can be assigned why this policy should not be adopted. The force of naval officers must be maintained and paid, and a surplus of officers hold commissions and are subject to orders to any honorable duty, while the employment of any civilians may be terminated at the pleasure of the government. The latter will, undoubtedly, by obvious methods, endeavor to place obstructions in the way of the action proposed, but it should be taken and persisted in, because required for an economical administration of the naval establishment.

The second section of the act of August 5, 1882, for the purpose of relieving the navy-yards from the accumulations of old and unserviceable material, directed an account to be taken of all stores and supplies belonging to the bureaus of the Navy Department, and appraisements to be made thereof by Boards of Naval officers, and authorized the sale at public auction of all such stores and supplies as might be found unserviceable, and of all old material that could not be profitably used, the net proceeds of all sales to be paid into the Treasury. These Boards were seasonably appointed, and are now engaged in their work, but no sales have yet been made.

The same section directs the Secretary of the Navy to appoint Inspection Boards to examine all the vessels of the Navy, and report which are unfit for further service, or, if the same are unfinished in any navy-yard, those which cannot be finished without great and disproportionate expense; and to state in their report fully the grounds and reasons for their opinion; and the Secretary is directed, if he shall concur in opinion with said report, to strike the name of such condemned vessels from the Navy register, and to report the same to Congress.

In pursuance of this law, a special Board, consisting of Captains John Irwin, C. S. Norton, and A. P. Cooke, Naval Constructor George W. Much, and Chief-Engineer H. S. Davids, was appointed at San Francisco, which has examined and made report concerning the vessels at the Mare Island navy-yard.

The principal Inspection Board consists of Commodore A. A. Semmes, Medical Director A. L. Gihon, Capt. R. W. Meade, Commander H. L. Howison, Chief-Engineer J. W. Thomson, jr., and Naval Constructor Edward Hartt. The Board is diligently performing its functions under the supervision of the Admiral of the Navy, and has examined the vessels at Portsmouth, Boston, Newport, New London, Sackett's Harbor, Erie, and Washington, and action will probably be taken upon some of its reports before the 1st of January.

It is desirable that Congress should authorize the sale of condemned ships at public auction without undertaking to revise in detail the judgment of the Board and the Department. There is no danger that any

ships will be sold under such authority which could, if retained, be of the slightest use to the country.

The New York navy-yard occupies 193 acres of valuable land within the limits of the city of Brooklyn, and at the eastern side and adjoining the grounds of the naval hospital fifty-three acres can be spared without injury, and it is estimated can be sold for over \$1,500,000. It may also prove desirable to exchange a portion of the fifty-three acres for land needed to improve the west side of the yard and the water front there. Authority to make the sale and also the exchange is requested.

MOVEMENTS OF VESSELS.

The vessels on the NORTH ATLANTIC STATION are the Tennessee (flagship), Vandalia, Kearsarge, Alliance, Enterprise, and Yantic, under the command of Rear-Admiral George H. Cooper, who relieved Rear-Admiral Robert H. Wyman on the 1st of May, 1882. All the vessels except the flag-ship have, since the last report of the department, made cruises to the West Indies. During the summer they cruised to the northward, in company with the flagship, for exercises in fleet tactics, and all but the Vandalia participated in the bicentennial celebration of the State of Pennsylvania on the 24th of October. The Enterprise is now under orders to proceed to the Asiatic Station.

The SOUTH ATLANTIC STATION has been, since the 9th of June, 1882, under the command of Rear-Admiral Peirce Crosby. The former commander, Rear-Admiral James H. Spotts, died March 9, 1882, on board the flag-ship Brooklyn, at Port Stanley, Falkland Islands. The vessels are the Brooklyn (flagship), and the Galena, which joined from the Mediterranean. The Shenandoah (former flagship) returned to the United States and was put out of commission, and the Marion was detached and is now on the way to Portsmouth.

The force on the EUROPEAN STATION remains under the command of Rear-Admiral J. W. A. Nicholson, and consists of the Lancaster (flagship), Quinnebaug, and Nipsic. The Galena was transferred to the South Atlantic, and the Nipsic is on her return home. On account of impending troubles at Alexandria, Egypt, the squadron visited that port. The Galena arrived first, in June, and was joined by the rest of the squadron. The timely arrival of the vessels gave protection to the American consulate and to American citizens and interests, and also afforded a refuge for our own citizens and for fugitives of other nations, who were driven from their homes. The action at this juncture of Admiral Nicholson was judicious and humane, and met the approval of the department.

The PACIFIC STATION continues under the command of Rear-Admiral George B. Balch. It has been reinforced by the Iroquois and the Essex, and by the Hartford, now on the way, and consists of the Pensacola (flagship), Alaska, Lackawanna, Iroquois, Wachusett, Adams, and Essex. The last, however, is under orders to the Asiatic Station. At

least three of the vessels have remained continuously south of Panama during the year. The public interests have also required the presence of one of the vessels within the waters of the Territory of Alaska.

The ASIATIC STATION, still commanded by Rear-Admiral J. M. B. Clitz, is composed of the Richmond (flagship), Ashuelot, Monocacy, and Palos. The Swatara and Alert have been detached during the year; while the Essex from the Pacific Station, the Juniata, by way of the Suez Canal, and the Enterprise, by way of the Cape of Good Hope, are under orders to join the Station.

The APPRENTICE TRAINING SQUADRON, under the command of Commodore S. B. Luce, now comprises the New Hampshire, Minnesota, Portsmouth, Saratoga, and Jamestown. The Portsmouth and Saratoga made practice cruises to Europe during the summer, and the Jamestown and Portsmouth are now fitting for a winter cruise to the West Indies.

The vessels engaged on SPECIAL SERVICE have been the Powhatan, Despatch, and Ranger (the two last-named on surveying duty), the Michigan on the northwestern Lakes, and the iron-clads Miantonomoh, Montauk, Nantucket, and Passaic, on experimental cruises.

THE JEANNETTE EXPEDITION.

The last communication received at the department from the late Lieutenant-Commander George W. De Long, commanding the Arctic exploring steamer Jeannette, furnished and equipped by James Gordon Bennett, Esq., was dated August 26, 1879, at Saint Lawrence Bay, Siberia. From the records now in the department, it appears that on the following day the Jeannette started north, skirting the Siberian coast to obtain tidings of the Vega. August 31, 1879, she stood to the northwest, toward Wrangel Island. Drift ice was met and the weather was stormy. Pack ice was encountered afterwards, and the course of the vessel turned more to the northward. Herald Island was sighted to the westward on September 4. The next day the Jeannette entered the pack through the best looking lead in the direction of Herald Island. Young ice was met, through which the vessel was forced by ramming, but before night her progress was checked and she was secured with ice-anchors. On September 6 another effort was made to reach Herald Island, but only a slight advance could be made. Two days later there was no sign of a lead in any direction; the vessel was frozen in solidly, and never again escaped from the pack. The ice drifted, carrying the vessel with it, with varying force and direction. The ship inclined under the pressure of the ice, and precautions were adopted to keep her upright. During October, 1879, Wrangel Island was at times in sight. Herald Island was in sight once, on October 3.

Astronomical and meteorological observations were made whenever practicable throughout the period of the Jeannette's imprisonment in the ice. A winter routine was put in force November 1, 1879, and

measures were taken to maintain, as far as possible, the cheerfulness, health, and comfort of all.

In January, 1880, the vessel was found to be leaking from the pressure of the ice. The pumps were started with difficulty, and though the leak decreased they were used from that time until the vessel was abandoned.

The second winter in the ice was passed much as the first. The health of officers and men, with a few exceptions, had remained good until the spring of 1881, when it was somewhat impaired. Jeannette Island was discovered May 17, 1881, the vessel being then about 500 miles northwest of Herald Island. A few days later Henrietta Island was discovered. A sled party landed, hoisted the national ensign, and took possession in the name of the United States.

During the night of June 10 the ice opened beside the vessel, which then righted, being once more afloat. The ship was secured to the ice by lines, and, as there were indications of a break-up, the rudder was shipped and preparations made for making sail. No serious difficulty was apprehended in keeping the vessel afloat and navigating her to port if she should escape from the pack. But the ice closed in again with such force as to crush the sides of the Jeannette, and her fate was decided. Boats, sleds, instruments, provisions, and stores were put on the ice, and the ship was abandoned. She sank during the night of June 12, 1881.

On the recommendation of the surgeon, a delay of a few days followed, after which the toilsome retreat began, across ice and water. About four weeks later Bennett Island was discovered. After remaining here for some days, the party embarked for the New Siberian Islands, which were reached safely. September 12, 1881, the thirty-three persons composing the officers and crew of the Jeannette left Simonoski Island in three boats. The boats were shortly separated in a gale of wind. The second cutter, carrying eight persons, has not been heard of since that time. The officers and men were Lieut. Charles W. Chipp, commanding; William Dunbar, Alfred Sweetman, Walter Sharvell, Albert G. Kuehne, Edward Star, Henry D. Warren, and Peter E. Johnson.

Lieutenant-Commander George W. De Long's boat, the first cutter, carrying fourteen persons, reached the Lena delta; the party landed September 17, 1881, and proceeded inland, leaving records of their condition and progress at several points. Owing to illness and exhaustion, slow progress was made. Some game was obtained at first, but this failed afterwards. October 6, one of the men died. Three days later two men, William F. C. Nindemann and Louis P. Noros, were sent ahead to seek help, the others following as well as their weak state would permit. Another man died of exhaustion from starvation, on October 17. Two days later a camping place was found, and after this no further progress could be made. The enfeebled men died of starvation, one by one. The last

entry in the pathetic record left by De Long is dated October 30, 1881. Soon after this the three who were then alive must have died. The party which thus perished were Lieutenant-Commander George W. De Long, commanding; Surgeon James M. Ambler; Jerome J. Collins, naturalist; Hans H. Erichson, Heinrich H. Kaack, George W. Boyd, Walter Lee, Adolph Dressler, Carl A. Görtz, Nelse Iverson; the cook, Ah Sam, and the Indian, Alexy.

Chief-Engineer George W. Melville had been placed in charge of the whale-boat, Lieut. J. W. Danenhower's eyes having been so seriously affected for many months that he was on the sick list. The whale-boat party reached the eastern shore of the Lena delta and was conducted by natives to an inhabited village, arriving September 26; nearly all were badly frost-bitten. An effort was made to proceed towards Belun, the nearest Russian settlement. This was unsuccessful, but a message was sent to the Russian commandant at that place, asking transportation for the party.

News was received October 29 that Nindemann and Noros were on their way to Belun. A note from Nindemann, written at random, was brought to Chief-Engineer Melville, asking any one who could to render aid to De Long's party. Mr. Melville procured a dog team, and set out for Belun, where he found the two seamen sick. After receiving their reports, he went to a place where dog teams and provisions were to be furnished him, and there met the rest of the whale-boat party. Lieutenant Danenhower was given orders to take the whole party south to Yakutsk.

Melville pushed his search to the northern extremity of the delta, with great difficulty and much suffering from exposure and scarcity of food. He secured the log-books of the Jeannette, and other effects, which had been left in a cache, but the missing party could not be found. After three weeks of determined effort, it became evident that they must have obtained assistance from the natives or have died. Upon his return to Belun, Melville learned that nothing had been heard of the lost party and was forced to the conclusion that all had perished. As the search for the dead could be made better in the spring, he took his men to Yakutsk. There orders were received to spare no effort or expense to ensure the safety of the second cutter, and to send the sick and frozen of those already rescued to a milder climate as soon as practicable. Lieutenant Danenhower was given charge of a party of men and the effects which had been recovered, and left Yakutsk January 10, 1882, for Irkutsk. He afterwards asked permission of the department to remain and institute a search for Lieutenant Chipp's party, but was ordered home.

Mr. Melville completed the necessary arrangements and continued the search. Between March 23 and March 27, 1882, the bodies of Lieutenant-Commander De Long's party were found. After giving them proper burial, a search was made for Lieutenant Chipp's boat, but with no result, though several parties were at work along the coast for two weeks.

Mr. Melville returned to Yakutsk and proceeded thence to Irkutsk, arriving at the latter place July 5, where he received permission from the Department to return home with his party.

The following joint resolution of Congress was approved August 8, 1882:

That the Secretary of the Navy be requested to convene, as soon as practicable, a court of inquiry to investigate the circumstances of the loss in the Arctic seas of the exploring steamer *Jeannette*, and of the death of Lieutenant-Commander De Long and others of her officers and men, including an inquiry into the condition of the vessel on her departure, her management up to the time of her destruction, the provisions made and plans adopted for the several boats' crews upon their leaving the wreck, the efforts made by the various officers to insure the safety of the parties under their immediate charge and for the relief of the other parties, and into the general conduct and merits of each and all the officers and men of the ill-fated expedition, and to submit the finding of such court of inquiry to Congress.

In compliance with the foregoing joint resolution the Department ordered a court of inquiry, consisting of Commodore William G. Temple, president, Capt. Joseph N. Miller, and Commander Frederick V. McNair, members, and Master Samuel C. Lemly, judge-advocate. This court is now engaged in the prosecution of its duties.

THE SEARCH EXPEDITIONS.

The United States steamer *Rodgers*, commanded by Lieut. Robert M. Berry, which was engaged in a search for the *Jeannette* and for missing whalers during the autumn of 1881, went into winter quarters at St. Lawrence Bay, Siberia, in October. On November 30 a fire broke out in the forehold of the vessel. All efforts to extinguish it proved unavailing, and the vessel was abandoned.

The natives were hospitable, but their resources were limited, and to lessen the burden the officers and crew were distributed among five villages.

Lieutenant Berry, desiring to carry out the object of the expedition, although his vessel was lost, set out from Saint Lawrence Bay to organize a search of the coast and to communicate the loss of the *Rodgers* to the department, having first made provision for the comfort and safety of those under his command. Master Howard S. Waring was left in charge at Saint Lawrence Bay.

Master Charles F. Putnam, one of the officers of the *Rodgers*, had been placed in command of a shore depot near Cape Serdze, to search the coast. Learning that the vessel was burnt, he set out for Saint Lawrence Bay with provisions. On his return to Cape Serdze, he missed his way while crossing Saint Lawrence Bay in a blinding snow storm, January 10, 1882, and drifted out to sea on an ice-floe. He was seen several days later, and an earnest effort was made to reach him in a canoe, but the attempt failed, because the thin ice cut the boat. Master Waring, on hearing of this disaster, left Ensign George M. Stoney in charge at Saint Lawrence Bay, and made a minute search of the coast for a month, but without avail.

Some time after leaving Saint Lawrence Bay, Lieutenant Berry heard that Putnam had drifted out to sea, but received from natives a report that he had reached the shore in safety. It was not until February that he learned the truth.

On the 8th of February Lieutenant Berry left Cape Serdze, accompanied by Ensign Henry J. Hunt. Following the coast to the westward, they heard that the missing whalers *Vigilant* and *Mount Wollaston* had drifted in shore, and that their crews had either died or had deserted the vessels. After a severe journey they arrived at the Russian post of Nishne Kolymsk on the 24th of March.

Information was received at this place of the landing of part of the *Jeannette's* crew at the mouth of the Lena River, and Lieutenant Berry continued his journey until he came upon traces of Chief-Engineer Melville's search party.

Learning that the latter had completed his search, Berry followed and overtook him. The party proceeded to Yakutsk, where Berry intended to fit out a new expedition, but information was received that Lieutenant Harber had been detailed to make a summer search, and Lieutenant Berry then returned home. Ensign Hunt was ordered to report to Lieutenant Harber for duty.

The party which had been left at Saint Lawrence Bay in charge of Master Waring was received on board the whaling bark *North Star*, owned by William Lewis, of New Bedford, and commanded by Capt. Leander C. Owens, who had gone to Saint Lawrence Bay at great inconvenience to transport the party to any port desired. The *North Star* left May 14 for Ounalaska, but falling in with the revenue-cutter *Corwin*, commanded by Lieut. Michael A. Healy, the Rodgers party was transferred to the latter vessel and arrived at San Francisco June 23, 1882.

Lieutenant Berry earnestly recommends that the Chukches about Saint Lawrence Bay be suitably rewarded for their hospitality, to encourage them to aid the crews of any of our whaling or other vessels that may be wrecked upon their coast.

Lieut. Giles B. Harber and Master W. H. Schuetze were ordered by the department on February 2, 1882, to special duty in connection with the search for the survivors of the *Jeannette*. They proceeded to Siberia, and Lieutenant Harber and his party have prosecuted their search with energy, but have not succeeded in getting any intelligence of Lieutenant Chipp's party.

BUREAU OF NAVIGATION.

The report of Commodore J. G. Walker, Chief of the Bureau of Navigation, narrates the work of the bureau and its subordinate offices in connection with the revision of "*The American Practical Navigator*:" compasses for the Navy; the determination of longitudes, under Lieut. Commander F. M. Green; navigation supplies; the system of naval

signals, in charge of Capt. Philip C. Johnson; the hydrographic work of the navy, under the direction of Commodore J. C. P. De Krafft; the Naval Observatory, of which Vice-Admiral S. C. Rowan is the present Superintendent; the Transit of Venus Expedition; the Nautical Almanac, and time signals.

Attention is called to the growing disposition on the part of the Signal Service Bureau of the Army to encroach upon work which has fallen for many years within the legitimate province of naval officers. The local time has been signaled from the Observatory since the year 1845, and since 1877 a time-ball has been dropped at New York City at noon daily by signal from the Observatory. The Signal Service Bureau has, however, published at government expense a work on "The Construction and Maintenance of Time-Balls," and has announced in an official publication entitled "Memoranda of Useful Information for Ship Masters," that a time-ball will be established at the Signal Service station in New York City. It has also organized a "Marine Division" and established a "Marine Agency" in the city of New York, and is issuing charts of the North Atlantic Ocean, attempting to show the direction of cyclones, the limits of icebergs, and the direction of the prevailing winds in the different ocean squares. This marine work belongs appropriately to the Naval Hydrographic Office, and it is doubtful whether the appropriations for the Signal Service of the Army, however liberal in their amount and vague in their limitations, were intended to be applied to work which is specifically in the charge of another department. The sundry civil appropriation act of August 7, 1882, making appropriations for the work of the Signal Service, directs "that the work of no other department, bureau, or commission authorized by law shall be done by this bureau." Obedience to this explicit enactment ought to be enforced.

The adaptation of the laws of the United States for preventing collisions at sea to the revised International Regulations should be again urged upon Congress; and the need of a revision of our present law requiring steam vessels under all circumstances to keep out of the way of sailing vessels was, October 28, 1882, called to the attention of the department by the Philadelphia Board of Trade.

This rule operates unfairly against deep-draught ships in narrow channels, either natural or artificial, where light-draught vessels will not be injured by using the shoaler water, and the unnecessary burden upon commerce should be lightened.

BUREAU OF ORDNANCE.

The report of Commodore Montgomery Sicard, Chief of the Bureau of Ordnance, states the efforts of the Bureau in the preparation of plans, and in the commencement of the construction of the high-powered guns authorized by the act of August 5; the progress made in converting Parrott rifles; in procuring and practicing with machine guns; in pro-

viding small-arms; and in experimenting with torpedoes and electric lights at the torpedo station at Newport, R. I., under the supervision of Capt. Thomas O. Selfridge.

The principal purpose of our large naval establishment being to use cannon and small-arms and torpedo explosives against public enemies, the question of ordnance is of the first importance. Having no effective guns, it is the duty of the government to begin their manufacture immediately. This country is not now capable of making the steel forgings necessary for heavy rifled cannon; they must, therefore, either be procured abroad or inducements must be offered to steel manufacturers to engage in their production. There is no steam-hammer in the country sufficient for the heavy forgings required. Either through the agency of some private company or by the direct action of the government such a hammer should be prepared for American use.

All the moderate recommendations of the Chief of the Bureau ought to be promptly adopted, and the appropriations estimated for by him ought to be considerably increased.

BUREAU OF YARDS AND DOCKS.

The report of Rear-Admiral Edward T. Nichols, Chief of the Bureau of Yards and Docks, recites the various works of improvement at the navy-yards for which appropriations are recommended by the bureau; and it estimates the sum necessary for the general maintenance and preservation of the yards. My views on this subject have been indicated in considering the navy-yards, and may also be learned from the revision hereinafter submitted of the estimates made by the Bureau.

BUREAU OF EQUIPMENT AND RECRUITING.

The Chief of the Bureau of Equipment and Recruiting, Commodore Earl English, details the work of that Bureau, including the fitting out of ships, purchases of coal, the manufacture of cordage and of iron cables and anchors and ship's galleys, and states the success of the Bureau in the enlistment of seamen and apprentices during the year. Enlistments were 5,620, of which number 478 were boys.

BUREAU OF STEAM ENGINEERING AND BUREAU OF CONSTRUCTION AND REPAIR.

The reports of Engineer-in-Chief W. H. Shock, Chief of the Bureau of Steam Engineering, and of Chief Constructor T. D. Wilson, Chief of the Bureau of Construction and Repair, state fully the present condition of the vessels of the Navy; their views as to the future work of their Bureaus, and as to the amounts needed for the construction of the two new steel cruising vessels authorized by the act of August 5, 1882, and for the completion of the double-turreted monitors *Monadnock*, *Puritan*, *Amphitrite*, and *Terror*. They estimate for the two steel cruisers, in

the Bureau of Construction, \$2,080,000; in the Bureau of Steam Machinery, \$1,800,000, making \$3,880,000. These estimates are for the total cost of the hulls and machinery, and exceed the limitations of the act, which confine the Department to the estimates of the first Advisory Board, and they indicate the opinion of the Bureaus that the ships cannot be completed within those limitations. But in any event less than one-half the full cost needs to be appropriated for the next fiscal year, and \$1,000,000 for each Bureau will be more than sufficient for the expenditures on the vessels during that year.

The reports estimate for the completion of the four monitors, in the Bureau of Construction \$2,000,000, and in the Bureau of Steam Machinery, \$1,165,000. Less than one-half of these amounts should be appropriated for the next fiscal year, in case Congress should decide to complete the vessels.

In pursuance of the directions of the enactment authorizing the construction of the two steel cruisers, the Naval Advisory Board was organized on the 13th day of November, consisting of the following members: Commodore R. W. Shufeldt, president; Mr. Henry Steers, Mr. Miers Coryell, Chief Engineer Alexander Henderson, Commander John A. Howell, Lieutenant Edward W. Very, Naval Constructor Frank L. Fernald.

The naval officers were selected several weeks previous to the appointment of the full board, but delay and difficulty were experienced in obtaining "two persons of established reputation and standing as experts in naval or marine construction, to be selected from civil life," who should not be employed by or connected with any one of the few ship-building firms who might propose to enter into the contracts for the construction of the cruisers. Due public advertisement and notice was given on the 5th day of August, as required by the act, to all persons, to submit, within sixty days after August 20, any plans, models, designs, or suggestions for the construction of the vessels, and the time for submitting them has been extended to the period when the Board will finally reach its conclusions.

The Advisory Board is actively engaged in the discharge of its duties, but is proceeding with care and caution. It is the determination of the Board and of the Department to make no undue haste and to spare no pains to design and complete the two best ships which can possibly be constructed in this country.

I deem it my duty to recommend that Congress be requested also to authorize the construction of two of the second-rate, steel, single-decked, unarmored cruisers, recommended by the late naval advisory board, to have a speed of not less than thirteen knots, but with the displacement limited, according to the recommendations of the present Advisory Board, to 2,500 tons each, at a cost not exceeding for hull, engines, ordnance and equipment \$1,000,000 each; also of one of the five steel rams recommended by the late board; and one iron dispatch boat or clipper, of

1,500 tons displacement, with a speed of not less than fifteen knots, to be armed with one six-inch breech-loading rifled cannon and four Hotchkiss guns, at a cost not exceeding \$500,000.

The Naval Advisory Board was directed to report to the Secretary of the Navy, in detail, by the 1st day of December, 1882, as to the wisdom and expediency of undertaking and completing the engines armor, and armaments of the iron-clads *Monadnock*, *Puritan*, *Amphitrite*, and *Terror*. The delay in organizing the board will prevent the completion of this report on the day fixed; but it will be prepared and transmitted as soon as practicable thereafter, with the recommendation of the Department thereon, as required by the act. There has been much unseemly controversy over these vessels since the work was suspended, in March, 1877, after an expenditure upon them by the government of \$3,528,580.58. The fact of this large outlay is no reason why they should be completed if they will not then be worth to the government the amount of the new money which will have been expended. Nor is there anything in their history which should prevent their completion if that result is for the real interests of the government. The necessity, however, of some better provision for the defense of our harbors than is furnished by the fourteen single-turreted monitors, the relics of the war of the rebellion, is apparent to every thoughtful citizen. If the completion of the four double-turreted monitors is not expedient, the construction of some new armored vessels of a different character should be devised and immediately commenced.

The act of August 5 made provision for "the launching, to the best advantage, with such necessary attachments and appliances as will render redocking the ships unnecessary," of the four double-turreted monitors. The contractors who had built the hulls, and in whose ship-yards they have remained since the termination of work, in March, 1877, were informed by letter of August 21, 1882, that the Department desired to comply with the directions of the act as soon as practicable, and would be prepared to indicate what work ought to be done to fit the vessels for launching, and wished to receive any suggestions or proposals from the contractors concerning the whole subject. On the 28th of August the contractors were further informed what work would be required to be done, and what attachments and appliances must be fitted before the launching of the vessels, and were informed that the plans showing the details might be seen at the Department. On the 8th of November the attention of the contractors was called by the Department to the fact that it had received no reply to its letters of August 21 and 28; and they were informed that as it was desirable that there should be no more delay, the Department proposed (1) that the contractors should furnish the materials and do the work necessary to be done before launching (the same to be first specified in detail by the Department and the cost thereof agreed upon), and should also launch the vessels at the earliest practicable day; and (2) that the Department

should pay the contractors for such materials and work and for launching, the actual cost thereof, as it might be mutually agreed upon; this arrangement to have no effect whatever upon the existing rights or obligations of the contractors or the government, but to be made and carried into effect without prejudice to any claim of either party; and the contractors were requested to respond to this proposition without delay. They have signified their assent, and the vessels will soon be launched.

The double-turreted iron-clad *Miantonomoh*, built on the same plan as the other four monitors, is complete, except the turrets and pilot-house; and these were authorized by the act of August 5. The difficulty, if not impossibility of procuring, in this country, the steel for the compound armor adopted for the turrets and pilot-house has, up to this time, prevented any action. For the purpose of testing the vessel in the meantime, she has been loaded with iron cables, representing the weights of the turrets, pilot-house, and armament, and put in commission. Thus loaded she rises about 26 inches amidships above the water-line in fresh water, and about 30 inches in salt water, and no reason is perceived why she will not prove a successful and formidable armored ship.

BUREAU OF MEDICINE AND SURGERY.

The report of the Surgeon-General, Medical Director Philip S. Wales, in regard to the sanitary condition of the Navy, shows a gratifying improvement over that of preceding years. Special attention is called to his recommendation for the improvement of the Navy ration in its adaptation to the necessities of the naval service; and to his statement of the importance and improvement of ventilating apparatus applied to vessels of the Navy, and of the condition and usefulness of the newly organized Museum of Hygiene.

BUREAU OF PROVISIONS AND CLOTHING.

The report of Paymaster-General Joseph A. Smith states the appropriations and expenditures for the fiscal year ending June 30, 1882, and for the present year up to November 1.

MARINE CORPS.

Attention is called to the report of Col. C. G. McCawley, commanding the United States Marine Corps, which on the 1st of October, 1882, contained 1,681 enlisted men; 984 on board ships in commission, and 877 doing duty on the shore stations. The correct legal number of second lieutenants is 30, and 16 new appointments should be made. It is desirable that Congress should authorize the appointment of these lieutenants from graduates of the Naval Academy, at the end of the academic years ending June, 1883, and June, 1884. The legal number of the privates in the Marine Corps is 2,500. Congress has lately appropriated for only 1,500. It is desirable that appropriations should be made for 2,000.

NAVAL ACADEMY.

The Naval Academy, since November 15, 1881, has been under the superintendency of Capt. Francis M. Ramsay, and is efficiently and satisfactorily conducted. His report is transmitted. The act of August 5, 1882, which provided that no appointments thereafter should be made of officers in the Navy from the graduates of the Academy, except to fill vacancies in the lower grades of the line and the Engineer and Marine Corps, also repealed the law authorizing 25 cadet-engineers to be annually appointed, continuing only the right, at all times, of each Congressional district to have one cadet, and of the President to have ten cadets at the Academy; and provided that all naval cadets not needed, on graduation, to fill such vacancies or to make the number of annual appointments reach ten, should be given certificates of graduation, an honorable discharge, and one year's sea-pay. These salutary provisions, which were adopted four years ago for graduates of the Military Academy at West Point, were absolutely necessary in view of the overcrowding of the naval service by the addition each year of all the graduates of the Academy from the Congressional districts, and 25 cadet-engineers. The effect upon the school will not be injurious. Where all who strive obtain the prize, endeavor will be less than where the rewards are few and only conferred in recognition of distinguished merit. Those cadets who are not needed for the Navy will have received a superior education at the government expense, and with a donation of one year's pay in advance, will return to civil life admirably fitted to enter and to succeed in the most lucrative employments of peace, while standing always ready with their naval capacities enlarged by their professional or business experience, to come to the aid of the country in time of war.

NAVAL OBSERVATORY.

The report of Vice-Admiral S. C. Rowan, Superintendent of the Naval Observatory, details the important work of that institution during the year, and the provisions made for parties for the observation of the approaching transit of Venus on the 6th day of December at the following points: Cape of Good Hope, Santa Cruz, Patagonia, Santiago de Chile, New Zealand, San Antonio, Tex., Cedar Keys, Fla., Fort Selden, N. Mex., and Washington, D. C.

The condition of the old Observatory is such that there should be no further delay in making the necessary appropriation for the construction of the new Observatory authorized by the act of Congress of February 4, 1880, for which, at a cost of \$63,000, a new site on Georgetown Heights has been already purchased.

REPORT OF THE ADMIRAL OF THE NAVY.

The department has received the support and co-operation of the Admiral of the Navy, under whose supervision is placed the Board of

Inspection and Survey, and who has also given special attention to the apprentice training system and to the development of torpedo boats. The report of the Admiral is transmitted, containing his views upon those subjects, recommending the completion of the monitors, discussing the question of promotion by selection, and advising a stricter enforcement of section 1496 of the Revised Statutes, which requires every officer before promotion to establish his mental, moral, and professional fitness to perform all his duties at sea.

EXPENDITURES.

The appropriations available for the current expenses of the fiscal year ending June 30, 1882, were \$14,874,269.55, to which should be added \$59,813, transferred from the Navy pension fund to the Naval Asylum, making a total of \$14,934,082.55. There was also a balance on hand at the beginning of the year under the appropriations "pay of the Navy" and "pay of the Marine Corps," \$1,903,071.56. From this sum should be deducted \$1,375,086.16, due from said appropriations to "general account of advances," and also \$134.58 carried to the surplus fund. There should, however, be deducted from this balance the sum of \$59,813, appropriated for the Naval Asylum, as that sum was brought to the credit of the asylum on September 13, 1881, by requisition, and is included in the exhibit of expenditures chargeable to the Navy appropriations as refunded and deducted from the amount drawn in that month.

The net amount, therefore, available for the year was	\$15,402,120 37
The expenditures were	13,936,294 96
Leaving a balance of.....	1,465,825 41
To this amount should be added the unexpended balances in the hands of pay officers, as shown by the books of the Fourth Auditor	870,682 55
Which shows that the net expenditures for the fiscal year were	2,336,507 96
less than the amount applicable therefor.	

The appropriations available for the operations of the present fiscal year ending June 30, 1883, were \$15,575,853.98.

Amount drawn by Warrant from July 1, 1882, to November 1, 1882 ...	5,220,314 25
Amount refunded from July 1, 1882, to November 1, 1882	123,562 62
Amount expended	5,096,751 63
leaving available November 1, 1882, \$10,479,107.35.	

ESTIMATES.

The Chiefs of the respective Bureaus have furnished, according to section 430 of the Revised Statutes, their estimates for the fiscal year ending June 30, 1884:

Pay of the Navy	\$7,512,580 00
Pay of the civil establishment of the navy-yards.....	194,130 00
Ordnance and Torpedo Corps.....	669,300 00
Coal, hemp, equipment.....	1,021,000 00

Navigation and navigation supplies.....	\$187,000 00
Repairs and preservation of vessels.....	1,750,000 00
Completing hulls of the New York and Mohican.....	500,000 00
Building hulls of the two new cruisers.....	2,080,000 00
Building machinery for the two new cruisers.....	1,800,000 00
Completing hulls of four double-turreted monitors.....	2,000,000 00
Building machinery for the monitors.....	1,165,000 00
Steam machinery, tools, &c.....	1,200,000 00
Provisions for the Navy.....	1,200,000 00
Medical department.....	45,000 00
Repairs of hospitals, laboratories, &c.....	47,000 00
Naval Hospital Fund.....	50,000 00
Naval Academy.....	182,798 20
Contingent expenses of Department and Bureaus.....	230,000 09
Naval Asylum, Philadelphia.....	92,191 00
Maintenance of yards and docks.....	490,000 00
Repairs and improvements of navy-yards.....	3,562,444 00
Support of Marine Corps.....	1,064,325 56
Total.....	27,042,678 76

These estimates may be revised as follows :

Pay of civil establishment at navy-yards reduced to.....	\$122,500 00
Building hulls of two new cruisers.....	1,000,000 00
Building the machinery for the same.....	1,000,000 00
Completing hulls of four monitors.....	1,000,000 00
Building machinery for the same.....	582,500 00
Naval Asylum, Philadelphia.....	59,813 00
Maintenance of yards and docks.....	220,000 00
Repairs and improvements of navy-yards.....	1,192,571 00

Making the total revised estimates \$20,836,297.76.

THE LIGHT-HOUSE SERVICE AND THE COAST SURVEY.

There are employed at the present time 20 officers of the Navy in the Light-House Service, and 61 naval officers and 275 seamen in the Coast Survey.

These two branches of the public service are maritime in their nature and purpose; and their objects have no connection with the Treasury Department, under which they are now placed.

The original assignment of the Light-House Service to the Treasury Department is explained by the fact that when it was first established, no Navy Department existed. At one time it was administered by the Commissioner of the Revenue, at another by the Fifth Auditor. The defects of this arrangement led to the formation, largely through the efforts of naval officers, of the present mixed board, which remained, for no assignable reason, an adjunct of the Treasury Department.

Of the twenty officers of the Navy employed in the Light-House Service, three are members of the Light-House Board. The chairman of the board is a rear-admiral in the Navy; the Naval Secretary, a commander in the Navy. In the absence of the chairman, the Naval Secretary has charge of the office of the Board. The executive committee

is composed of the chairman, the Naval Secretary, and the Engineer Secretary. There are fourteen light-house districts, each under the personal charge and superintendence of a naval officer, detailed exclusively for this duty; and in three districts there are also naval officers detailed as assistant inspectors. Only the erection and repair of buildings and apparatus are supervised by engineer officers of the Army, most of whom perform this duty incidentally, and in addition to their regular duties under the War Department.

The Light-House Board has charge not only of light-houses, but of the establishment and care of all other aids to navigation; light-ships, beacons, buoys, fog-signals, and sea-marks. No one but a practical navigator can be a competent judge of the wants of mariners in the care and distribution of these aids; and the Navy Department alone can furnish the skill and experience necessary to provide for the safety of vessels on our coast.

In view of the existing duties and responsibilities of naval officers in connection with the service, and of the strictly maritime character of the work, it is desirable that the light-house administration should be transferred to the Navy Department.

The connection of the Coast Survey with the Treasury is even more remote than that of the Light-House establishment. Its primary object, as expressed in the statute (Revised Statutes, section 4681), is to "cause a survey to be taken of the coasts of the United States, in which shall be designated the islands and shoals, with the roads or places of anchorage, within twenty leagues of any part of the shores of the United States." Subsequent legislation has extended its operations to parts of the ocean beyond the original limit; and has provided for deep-sea soundings, observations of currents, and for a hydrographic development of the dangers of ocean navigation on the west coast of North America.

For the past fifty years the Coast Survey has required and received the support and assistance of the Navy. Thirty naval officers a year on an average have been engaged in the work, and during the last ten years the number has steadily increased. Of the officers now on the active list of the Navy, 232 have at various times been so employed. The amount expended from the naval appropriation for the pay and maintenance of the officers and men employed on Coast-Survey duty in the year 1881 was \$220,931.64. As the direct appropriation for the Coast Survey for the same year was \$567,507.06, it appears that nearly one-third of the total expense of the survey was borne by the Navy.

The preparation of charts and sailing directions is a work which falls properly within the scope of a naval establishment. It has no inherent connection with the affairs of any other department of the government. As now organized, it is carried on by a nearly independent bureau of the Treasury Department, but the work is largely done by naval officers, and largely supported by naval appropriations.

In view of these considerations, the union of the Coast Survey administration with that of the Navy is suitable and proper, and would be advantageous to both.

Accompanying this report are sketches of the Light-House Service and Coast Survey of this and other countries, with reasons in favor of their administration, in the United States, by the Navy Department, prepared one by Lieut. Seaton Schroeder, and the other by Commander Charles D. Sigsbee, both assisted by reports from abroad made by Lieut. Commander French E. Chadwick and Lieut. John C. Soley.

THE REVENUE MARINE AND LIFE-SAVING SERVICE.

The Revenue-Cutter Service affords a proper field for the employment of naval officers. The duty is directly in the line of their profession. They are fitted for it, both by training and experience; and if they could be so employed without detriment to the interests of the existing corps of officers, a great and permanent benefit to the government and to the Navy would result.

The service of the cruising cutters is strictly naval. The duties of the officers are not distinguishable in kind from those of naval officers. The discipline is naval, as far as naval discipline can be carried on outside the Navy Department.

The cruising cutters carry an armament of from one to four guns. The crew are armed with small arms. The broadside guns are furnished by the Navy Department. In time of war these vessels have always been pressed into the naval service.

At the date of the annual report of 1881 there were thirty-six vessels in the Revenue Marine. Deducting the eight vessels on harbor duty and five sailing vessels, there remain twenty-three steamers, fifteen of which are propellers of from 131 to 403 tons; and eight are side-wheel steamers of from 201 to 499 tons. These twenty-three vessels, which may be classed as gunboats, are good vessels of their class, and must always be regarded as a part of the available naval force.

The experience acquired by junior naval officers, if employed in the cutter service, in cruising on our coast, and in assisting vessels in distress, would be of direct benefit in their profession, and to the country in case of war. They would acquire a familiarity with the coast and a knowledge of local pilotage that could not otherwise be obtained. They would have practice in the handling of small vessels under difficult circumstances. Employed at first in the lowest rank, they would readily acquire whatever might be new or peculiar in this branch of the service.

In the interests of economy the change suggested is desirable. While the Navy proper is being reduced, the government is keeping up a Revenue Navy of 34 captains, 86 lieutenants, and 65 engineers; in all, 185 officers. Two training schools are maintained to do the work of one. The Naval Academy at Annapolis is supplied with a full corps of in-

structors and every appliance for the training at all times of 335 naval cadets. At the same time, another school is maintained at New Bedford for the training of Revenue Marine cadets, covering the same ground, only in a limited degree, and with imperfect appliances. The Revenue Marine cadets receive \$900 a year during their service at the school. Recent legislation has provided that only a part of each graduating class at Annapolis shall enter the Navy, while the remainder shall be given a year's pay, and remanded to private life. All these young men, upon whom the government has bestowed a gratuitous education, are well-fitted for their profession, from which they are thus excluded; and by opening the cruising cutter service to these graduates of the Naval Academy, the government will save, at a single stroke, the whole cost of a duplicate establishment.

In order to harmonize all the interests involved in connecting naval officers with the Revenue Cutter Service, the administration of the two services should be combined under the Navy Department. The small vessels employed on harbor duty, which are only used to carry inspectors of customs, and as a sort of harbor police, should remain solely attached to the Treasury, as at present. The duty is not such as to require a special corps of officers. The cruising cutters should be transferred to the Navy Department; but they should be assigned to duty in the various districts, as at present, upon the requisition of the Secretary of the Treasury, and their movements may be directed for the time being by the collectors of customs. The present Revenue Marine officers should become a corps in the Navy, receiving life commissions as naval officers, with all the rights and privileges that belong to such commissions, while the vacancies gradually made at the foot of the list should be supplied by the detail of junior officers of the Navy of corresponding grade, for service on board the cutters. It is not proposed to remove the present officers of the Revenue Marine, or to take away or abridge, in the slightest degree, their privileges or emoluments. On the contrary they would retain all that they now enjoy, and, without re-examination or a new test of any kind, would receive in addition the benefits of a permanent naval commission. Vacancies in the upper grades should continue to be filled by promotion in the corps, and naval officers should only be detailed as vacancies are made at the bottom of the list. The duties of the Revenue Marine officers would remain the same as they now are; and it should be particularly provided, in any change that might be made, that their position should in no way be altered, except by giving all, including the engineers, the same permanency of tenure now enjoyed only by naval officers, and the same right of being placed upon the retired list of the Navy in case of extreme age or disability—changes in every respect advantageous.

If the transfer of the Revenue Marine to the Navy should be deemed desirable, the Life-Saving Service would probably follow. The two services are already so closely connected, and the tendency towards a

further union is so strong, that they would necessarily be conducted together. By the act of 1878, it was provided that the officers of the Revenue Marine should be detailed for duty as inspectors and assistant inspectors of life-saving stations. A captain of the Revenue Marine is the superintendent of construction in the Life-Saving Service. The cruising cutters co-operate actively in the work and are frequently employed in the assistance of vessels in distress.

If it is not the policy of the government to make appropriations for sufficient ships of war to give adequate occupation to all our naval officers, it should certainly make use of them in every branch of the public service for which they are fitted. A highly trained corps of officers, such as modern naval warfare demands, cannot be created in a day. If the personnel of the Navy is to be kept at its present standard of quality and numbers, it must be utilized in every form of government employment for which it is adapted. In this view it hardly admits of question that the Revenue Marine and the Life-Saving Service should be joined with the Navy. No disturbance of vested interests would be caused by the transfer; on the contrary, every provision would be made to guard against such a disturbance. But a new field would be opened for the services of officers already at the disposal of the government, which by their training they are in every way qualified to occupy.

Interesting information and suggestions concerning the Revenue Marine, prepared, by orders from the Navy Department, by Master George H. Peters, and relative to the Life-Saving Service, prepared by Lieut. Albert G. Berry, including reports from abroad, are transmitted with this report.

THE COMMERCIAL MARINE.

The interests of the Navy are inseparably involved with those of the commercial marine of the country. The protection of commerce is the first object of a naval establishment; and unless efficient preparation for such protection is made, a single war may destroy a nation's merchant fleet beyond hope of recovery. The carrying trade, when once diverted, is slow to return to its old channels. It requires more supervision and care than almost any other industry, and a maritime state which fails to give it the fullest encouragement is neglecting its most vital interests.

As the merchant marine is dependent at critical periods upon the Navy, so, on the other hand, the Navy, no matter how strong it may be, must, in emergencies, avail itself of the resources of the merchant marine. This is especially true in the United States, whose policy does not admit of a large standing naval force. This was clearly shown during the rebellion. At its outbreak the Navy had nominally a tonnage of 105,271 tons. To increase it, 215,975 tons of shipping were bought. These purchased vessels were ill-suited for war purposes, but they were none the less indispensable. If ten years before the war our maritime

necessities had been recognized, and the relations of the Navy and the merchant marine had been understood and organized, the government might have saved many millions of dollars, and have had in the beginning vessels capable of capturing the English-built commerce-destroyers and blockade-runners.

As the Navy must thus in emergencies resort to the merchant marine for ships, it must also draw upon it for officers and men to supply its deficiencies. The nautical training which is a necessary qualification for efficient service can only be found in the officers and men of the merchant marine. The additions to the Navy thus made during the war were 7,500 officers and over 40,000 seamen.

The naval establishment is further dependent on the merchant marine through its relation to the ship-building interest. It must be able to build ships within the country; and all the requirements for ship-building must here exist. The plant and the skilled mechanics must be here. But the ordinary demands of the Navy will not support a single establishment; and ship-builders cannot exist unless they find employment and profit in building commercial vessels. If, therefore, the present downward tendency of the merchant marine is unchecked, the Navy will soon be in such a position that, in the event of a war, it will be unable to build a single vessel or to recruit its numbers by officers or seamen of nautical experience.

Important as the merchant marine is on military grounds as an auxiliary of the Navy, it is more indispensable to the general welfare on economical grounds.

To a country with an extensive seacoast and numerous harbors, the possession of a merchant marine is an economical necessity. It is a form of enterprise which promotes and diffuses the influence of a nation beyond its borders far more than agriculture, or mines, or manufactures. It quickens the nation's powers and infuses life and vigor into its international relations. The freight earnings of our vessels increase by so much the balance of trade in our favor, while the freight earnings of foreign vessels increase the balance against us. The business which American ship-owners have lost would have employed thousands of seamen and mechanics. But all the benefits of the carrying trade have accrued to a foreign population, and the profits have gone to enrich foreign investors.

The aggregate profits of the carrying trade are enormous, and 85 per cent of our trade is now absorbed by foreign ships. The earnings for the transportation of ocean freights to and from the United States amount to one hundred and thirty-five millions per annum, American ships carrying less than one-sixth of the value of the goods. The aggregate of American tonnage for the year ending June 30, 1881, was 4,057,734 tons; of this amount 452,343 tons were barges and canal-boats. Over half a million more must be classed as river steamers; and a like amount should be deducted for vessels on the lakes. There

remain 2,500,000 tons as a fair estimate of our maritime tonnage. But sailing vessels make up 75 per cent of this amount. The last might almost be omitted from the calculation, for at this day the strength of a merchant marine lies in its steamers, not in its sail tonnage. There are only 152,769 tons of steamers registered for foreign trade, of which 97,706 tons are built of iron; 62 vessels in all, at an average of 1,500 tons.

Of the 44,403 tons of steamers built on our seaboard in 1881, only eight vessels are classed as ocean steamers. Their aggregate tonnage was 5,952 tons, or about one per cent of the ocean steam-tonnage built in Great Britain in the same year. The total tonnage of iron steamers built during this year was only 28,356 tons; and there are no steel steamers under the flag of the United States.

It follows that though our aggregate tonnage still reaches a respectable figure, yet the ships which it represents fail to meet the demands of ocean commerce, and would be of little use for war purposes. It is not a modern merchant fleet, and is being fast crowded out by foreign competition.

The following table, giving the percentage of the foreign carrying trade of the United States which has been performed by American vessels since 1849, at intervals of five years, shows at a glance the decline of our maritime industries:

	Per cent.
1849.....	82.9
1845.....	81.7
1850.....	72.5
1855.....	75.6
1860.....	66.5
1865.....	27.7
1870.....	35.6
1875.....	25.8
1880.....	17.4
1881.....	16.0
1882.....	15.5

The intervening years show occasional short periods of recovery, but the decline has not been arrested; and in the last three years it has been so marked and so rapid that, unless a change soon takes place, our merchant marine will be cut off from the foreign trade altogether.

As we are losing trade and falling off in tonnage, so we are throwing our seafaring population out of employment, or compelling them to seek support in other pursuits or under other flags. During the years between 1860 and 1874, 298 natives of the United States received certificates as masters in the British merchant marine. These men had received their training under their own flag, but the want of opportunity for service had driven them into foreign employment.

It may be argued that capital would be put into shipping if shipping were profitable. The reply is that shipping would become profitable if

it received as fair treatment as other forms of investment. All the interests liable to suffer from foreign competition are protected; but that commercial industry in which international competition is sharpest, in which rival nations come face to face, is left by the government to take care of itself. If manufactures are protected and nothing is done for shipping, capital will seek employment in manufactures, from which the government guarantees a return. Even our trans-continental railways, which had nothing to fear from foreign competition, have received grants which in comparison place the interoceanic carrying trade under fatal disadvantages.

But it is not merely from a passive policy of neglect that United States vessels in the foreign trade are suffering. They are burdened with grievous impositions, local and national, in the shape of fees, taxes, pilotage-dues, and other exactions. In order to give shipping a fair chance in the competition for capital, it must be placed on an equal footing with other industries, and it must be relieved from all unnecessary burdens.

For the foregoing purpose several remedies are suggested, having for their object (1) the removal of impositions, (2) the extension of protective measures to the neglected industry, and (3) the reform of administration.

I.—THE REMOVAL OF IMPOSITIONS.

1. *Compulsory pilotage.*—Pilotage is regulated by the States, and is generally compulsory. The fees are excessive, and the numbers and qualifications of pilots are largely left to the control of associations formed by themselves. An estimate made by the Chamber of Commerce of New York for 1881 places the amount received by 129 New York pilots and 47 New Jersey pilots, employed at that port, at not less than \$775,000 annually. The defects of the present system should be remedied by the enactment of a general law permitting captains, after examination, to pilot their own vessels.

2. *Local taxation.*—Efforts should be made to secure the extension of the movement, already begun by the principal seaboard States, for the abolition of local taxes on shipping.

3. *Compensation for transportation of destitute seamen.*—Masters of vessels in foreign ports are required to bring home, upon requisition of the consuls, such American seamen as they may send on board. The compensation is limited to \$10. The master has a right to employ these seamen in navigating the vessel, but the poor quality of the men, coupled with the small rate of the allowance, makes the requirement a hardship to owners.

4. *Three months' extra wages.*—For each seaman discharged in a foreign port, three months' extra wages must be collected by the consul from the master of the vessel. A broad discretion is allowed to consuls in making discharges, and their frequency makes the provision of

the statute a severe burden. The aggregate payments under this head amount to \$90,000 per annum.

5. *Consular fees.*—The fees paid for consular services constitute another heavy burden. One cent per ton is charged for receiving a ship's papers, and for other services fees varying from 25 cents to \$5. The charges incurred by a vessel in calling at a single port frequently amount to \$50. Assuming that one-half the fees returned by consuls in the year 1881 were collected from shipping, the aggregate amount would have been \$400,000.

6. *Miscellaneous fees.*—All the fees for services in connection with shipping are fixed at high rates. For admeasurement for tonnage the fee may amount to \$30 for a vessel of moderate size. The fees for steamboat inspection and for licensing officers amounted in 1881 to \$307,554. The fees paid to shipping commissioners are also excessive, being \$2 for each seaman enlisted and 50 cents for each seaman discharged. For a steamer in the foreign trade, with a crew numbering fifty persons, enlisted and discharged six times a year, the annual cost would be \$750.

II.—PROTECTIVE MEASURES.

One plan proposed for the revival of the merchant marine is the grant of a government bounty for the construction of vessels in the United States; and a further bounty for their navigation in the foreign trade.

Both measures have been adopted in the recent French merchant shipping law of January 29, 1881. The law provides for a bounty to be given to all vessels built in France after its passage, at the following rates: For iron or steel vessels, \$11.58 per gross ton; for wooden vessels of 200 tons or over, \$3.86 per ton; for wooden vessels under 200 tons, \$1.93 per ton; for composite vessels, \$7.72 per ton; and for machinery, \$2.32 per 100 kilograms, or a little more than one cent per pound.

The law also provides for navigation bounties, granted for ten years to all vessels in the foreign trade, except those belonging to the subsidized mail lines, of 29 cents, per net ton, for every 1,000 miles traversed. The bounty decreases annually, 1 cent for iron vessels, $1\frac{1}{2}$ cents for wooden vessels, and $1\frac{1}{2}$ cents for composite vessels. It is increased 15 per cent for vessels built according to plans approved by the Navy Department; and in case of war all merchant vessels may be required for state purposes. All vessels receiving navigation bounties are required to carry the mails and one mail agent free of charge.

It is calculated that the effect of the construction bounty provided by the French law will be equal to a protection of 12 per cent on the cost of the vessel; and the annual charge upon the treasury, on the basis of the construction of 56,000 tons of steamers a year, will be \$855,955.

Estimates of the effect of the navigation bounty show that it will

yield an average return of 9 to 10 per cent per annum on the cost of the vessel, and that the annual charge upon the treasury, during the ten years for which the bounties are established, will average \$1,439,780.

Any figures that might be given to show the effect of the French law would be conjectural, as sufficient time has not elapsed to bring in full returns. But it is clear that the aid given by the state will enable French ship-owners to carry on business at a profit. Foreign shipping, which now has a large share in the carrying trade, will be thrown out of competition; and the probable effect of the law will be the speedy creation of a great merchant navy, and one that would be a valuable auxiliary in time of war. The law has already had a marked effect in giving a stimulus to ship-building and ship-owning, and in reawakening these declining industries.

A memorial was presented to the German Parliament April 6, 1881, by Prince Bismarck, in which that acute and far-sighted statesman recommended in the strongest terms the adoption of a measure similar to that recently adopted in France.

The principle governing the French law has frequently been advocated in this country. A bill embodying it was favorably reported, in 1870, by a select committee of the House of Representatives on the causes of the reduction of American tonnage. In his report of December 4, 1871, the Secretary of the Treasury recommended the passage of a law carrying out a similar plan.

But the most natural, legitimate, and effective method of protecting and reviving the merchant marine of the country is to pay a compensation for carrying the United States mails in American ships on the great ocean highways sufficient to result in the permanent establishment of fast steamship lines. It is not the cost of building the ships that deters our capitalists from investing in lines of steamships. It is the impossibility of competing by such lines, during the earlier years of their existence, with the lines already in successful operation and sustained by large annual payments from foreign governments.

The amounts paid by the English Government during the year ending March 31, 1882, for foreign mail service, were \$2,963,525; for home packet service, \$527,500 (of which amount \$429,500 was for the rapid mail service between Kingstown, Ireland, and Holyhead); and for colonial contracts (Australia), \$881,250, making in all \$4,372,275. These payments were in continuation of a system under which England has paid as mail compensation to her steamship lines during the last fifteen years from four to six millions of dollars annually.

The amounts paid by France in 1878 for foreign mail service were \$4,505,652.65. In 1879 Austria paid \$1,034,044, and Italy paid \$1,593,214; while for the fiscal year ending June 30, 1880, the United States paid for foreign mail service only \$196,684.08.

Only by this system of liberal compensation to home lines for car-

rying the mails have other nations taken possession of the commercial waters of the world, driven out the vessels of the United States, and destroyed their participation in the profits of the carrying trade. By this method only have these nations secured an auxiliary navy of great power and importance, compelling every steamship company receiving a mail contract to furnish ships built according to governmental requirements and subject to be taken for national use in time of war.

Is there any other way by which the United States can resume her place among the powerful maritime nations, instead of continuing, as now, to sink rapidly toward insignificance upon the ocean? Most assuredly not. To strive successfully for the commerce of the ocean we must meet England and France with their own weapons. It is necessary that Congress should assimilate steamships and railroads in their treatment, to the extent of paying steamships for carrying the mails of the United States good compensation—as good as the government now pays railways for performing similar service. I advise that Congress be asked to authorize advertisements for proposals and the execution of contracts with the lowest bidders for carrying the United States mails for terms of years from the principal home ports over the important ocean lines to foreign ports, in fleet American-built steamers, to be constructed under the supervision of the government, adapted to naval use in time of war, commanded by naval officers, and subject in any emergencies to be taken possession of by the government. This policy, and this alone, will again cover the commercial seas of the world with vessels carrying the American flag, and furnish to the country a fleet of fast iron or steel steamships, which will be in fact a part of the navy; maintained at slight expense to the government; increasing every day our trade and commercial prosperity; and without which there will not long be a need of any considerable naval force.

III.—REFORM OF ADMINISTRATION—BUREAU OF MERCANTILE MARINE.

The various services now charged with the supervision and regulation of matters relating to the merchant marine should be brought together in one department or bureau of the government, which should be distinctly charged with the execution of laws concerning the shipping interests of the country, and to which the ship-owners could look for assistance, and for the reception and presentation of their claims.

There exists at present no responsible head to which are intrusted the interests of our merchant marine. Those branches of the subject of which the government undertakes supervision are so scattered among subordinate offices, variously related and loosely organized, that the industry might almost as well be left to itself.

The registry, enrollment, and license of vessels is placed in the office of the Register of the Treasury, with the regular work of which it has a purely accidental connection, and the details are carried out by the col-

lectors of customs. The inspection of steam-vessels, with its cumbrous machinery of a board of executive officers, who report to themselves and legislate for themselves, also finds a place in the Treasury Department, with whose ordinary functions it has no connection whatever; while there exists in another department a body of officers, the naval engineers, whose daily occupation fits them directly for such inspection duty. The local inspectors are now appointed by a board of officials composed, by a singular provision of law, of a district judge, a collector of customs, and a supervising inspector. The shipping commissioners, who are charged with all administrative matters relating to our 100,000 sailors, are appointed, under another singular provision, by the judges of circuit courts. Finally, by a still more remarkable arrangement, the service for the care of sick and disabled seamen, with its numerous and spacious hospitals and its large corps of surgeons, is in charge of a bureau of the Treasury, while naval seamen are cared for by another department, with duplicate hospitals and a separate corps of practitioners.

Under these circumstances, it has been inevitable that the subject of the regulation of our merchant marine should never have been looked at as a whole, and that the government should have followed no consistent plan or policy. These fragments of administrative supervision, scattered among various officials, should be gathered up and welded together in order that they may acquire coherence and efficiency. This is an important step in the revival of our depressed maritime industries.

The simplest and most natural method of accomplishing the desired object consists in the establishment of a Bureau of Mercantile Marine, in the Navy Department. The scope of its operations may be defined at the outset to cover those branches of administration which exist at the present time, in other connections, and which, as already mentioned, include, (1) the registry, enrollment, and license of vessels; (2) the inspection of steam vessels; (3) the shipment of seamen.

(1.) Under the head of registry, enrollment, and license would be included the duties of the tonnage division attached to the office of the Register of the Treasury, where the records are kept of the tonnage of registered, licensed, and enrolled vessels, and from which certificates are issued by the Register through the collectors of customs.

(2.) Under the head of inspection of steam vessels would be included all the duties performed by the inspection service—the supervising inspector-general, the supervising inspectors, the inspectors of foreign steam vessels, and the local boards. The service, in being placed under the new bureau, would undergo a simple administrative transfer, no change being made in the details of organization, further than to do away with the central board, and to add to the local bodies an inspector of navigation, who would supply an urgent want of the service, by examining and certifying as to instruments and charts and uniting with the inspector of hulls and the inspector of boilers in the examination of officers.

A slight examination of the duties of inspectors of steam vessels shows their special and technical character and their close relation to the nautical profession as it exists to-day. The inspector of hulls is required to satisfy himself as to the structure of the ship, the accommodations for passengers and crew, the completeness of equipment for saving life and for extinguishing fire, and the sufficiency of anchors and cables. The inspector of boilers must inquire into the safety and sufficiency of the boilers and engines, including everything that pertains to the steam machinery. Together, the two inspectors, acting as a board, examine the qualifications of masters, chief mates, engineers, and pilots of steam vessels, and upon their favorable report, licenses for the term of one year are issued. They receive from licensed officers reports of all accidents, and they investigate charges of incompetency or neglect against such officers. Power is given to summon witnesses, and upon proof of misbehavior, negligence, or unskillfulness, the local board may suspend or revoke a license.

(3.) Under the head of the shipment of seamen would be included the duties of the shipping commissioners, which are, to keep a register of seamen, to superintend their enlistment and discharge, to provide means for securing their presence on board as engaged, and to facilitate apprenticeships. Being appointed and controlled by the circuit courts of the United States, they are not directly connected with any executive department, nor does any department make a detailed report of their doings.

The Bureau of Mercantile Marine should include an auxiliary board composed of representatives of maritime and commercial interests and specially qualified officers of the government, to advise and assist in the operations of the bureau. Marine offices should be established at the principal ports, under the direction of the Bureau of Mercantile Marine, which should be the offices of record of bills of sale, transfers, and hypothecations of vessels, and at which the business of the local inspectors and the shipping commissioners should be transacted. In the matter of registration of vessels, the Bureau of Mercantile Marine would perform the duties of the Register's office, and the local boards those of the collectors of customs, and the admeasurement of vessels for tonnage would also fall to the local board.

It is believed that a reorganization of the service, such as is suggested, while it would strengthen the merchant marine, would incidentally be a benefit to the Navy. The natural connection between the two has already been pointed out, but the total separation in matters of administration has blinded our people to the fact that, in consequence of the decline of our maritime industries, naval operations in the event of a war would be paralyzed by the want of materials with which to carry them on. Even if a merchant fleet existed to supply this deficiency, the Navy Department is not supplied with the information, nor its officers with the facilities, nor its bureaus with the machinery, to

enable them to avail themselves of such scattered resources as our maritime industries would afford. The Navy Department possesses special advantages for carrying out the proposed transfer. The bureau system, in operation in the Department, can be extended to include the mercantile marine without confusing or involving its affairs with those of any other branch of the service. In process of time, naval officers familiar with the construction of vessels, the qualities of engines and boilers, the qualifications of masters and mates, and the needs of seamen, can be partly employed in the details of administration, with benefit to themselves and to the interests that are placed in their charge.

Prepared by Lieut. Carlos G. Calkins and appended to this report are full statistics of the decadence of our commercial marine; a summary of the defects in our administrative laws governing the same; a comparison of our system with that of other nations, and arguments in favor of the establishment, in the Navy Department, of such a bureau of commercial marine.

If it should be deemed advisable to establish the Bureau of Mercantile Marine in the Navy Department, the Marine and Naval Hospital services would naturally be united. Obviously the department with which the service is naturally associated is the Navy Department—a department which now has the physical care of 8,250 seamen, a department to which the service is akin, to which it is of the greatest importance to foster, by every means at its command, that very class whom the service is designed to relieve: and in which there is a bureau specially charged with the care and comfort of seafaring men.

Valuable facts and statistics upon this subject of marine and naval hospitals have been collected and arranged by Midshipman Philip R. Alger, and are herewith transmitted.

The criticisms and recommendations in this report are made with a sincere and earnest desire to promote the success of the Navy and the commercial interests of the country. If the naval establishment is not to be made effective, it should be discontinued, and the fifteen millions annually expended should be reserved to procure, in national emergencies, the assistance of foreign ships and guns. If governmental measures are not soon adopted to promote the carrying trade and to arrest the disappearance of American ships from the ocean, we shall soon cease to be a seafaring people and shall not need to maintain a Navy of our own. These are strong expressions, but they are justified and required by the present condition of our naval and maritime interests.

WILLIAM E. CHANDLER,

Secretary of the Navy.

PAPERS

ACCOMPANYING

THE REPORT OF THE SECRETARY OF THE NAVY.

REPORT OF THE CHIEF OF THE BUREAU OF YARDS AND DOCKS.

BUREAU OF YARDS AND DOCKS,

NAVY DEPARTMENT,

Washington, D. C., October 9, 1882.

SIR: The following report of the operations of this bureau, for the fiscal year ending June 30, 1882, and estimates for the fiscal year ending June 30, 1884, are respectfully presented.

NAVY-YARD, PORTSMOUTH, N. H.

The amount appropriated for the various purposes of this yard has been carefully and judiciously applied, and the property is in as good condition as can be reasonably expected.

The sum of \$5,000 was appropriated in 1881 for improvement of the water supply. Under this appropriation, connections by pipes have been made with the chief sources of supply, and a large amount of pipe has been laid.

From lack of funds the water head has been neglected, and the ponds have become so clogged by grass and weeds as to seriously diminish the body of water. It is necessary that these ponds shall be cleared of vegetable and other accumulations, and their capacity increased. For this purpose an estimate of \$25,000 is presented.

NAVY-YARD, BOSTON, MASS.

The usual work of repairs, &c., has been carried on at this yard as economically as possible, but, nevertheless, the sum allotted for the care of this vast property has not been sufficient to prevent deterioration. For the present fiscal year the amount appropriated was only half that of the previous year, and the estimates for the coming year are the same as last.

For improvement of the yard, I respectfully renew the recommendations of my last annual report, in favor of the following works, viz :

For yards and docks workshops (estimated cost).....	\$66,720
For relaying water main, &c.....	45,000
For cart shed.....	10,408
For paving and grading.....	20,000
For caisson for dry-dock.....	31,000
Extensive repairs to machine-shop.....	45,000

The deterioration which has taken place since these works were first estimated for, and that which will take place before the money is available, has rendered an increase over the original estimates necessary. All these works are important and essential.

The wharfage of this yard is in a very defective condition, and extensive repairs, and in some cases rebuilding, are absolutely necessary. I therefore deem it my duty to ask for an appropriation of \$87,000 for this purpose.

The underground water service is in such condition as to cause a large annual outlay for repairs and great waste from leakage. The pipes should be renewed.

NAVAL STATION, NEW LONDON, CONN.

I respectfully renew my recommendation of last year, for an appropriation of \$150,000, for commencing the construction of a quay wall along the water-front of this yard.

NAVY-YARD, NEW YORK.

The amount of funds available during the past year was inadequate to the requirements, and where so much was to be done it was difficult to know exactly where to apply it, but it is believed that it has been judiciously expended.

For the present fiscal year appropriation was made for dredging, \$30,000; intercepting sewer, \$90,000; caisson, \$30,000. Contracts are now being made for the sewer work, and the dredging and caisson will soon be taken in hand.

An estimate for \$78,930 is presented for the erection of a building to be used for the storage and preservation of property pertaining to yards and docks department. I deem this a most important and much needed improvement, as the above storage is now only partially effected in wooden buildings and shanties, inconveniently located, illy adapted to the purpose, unsightly, and in some cases unsafe, and for want of storage room valuable tools and implements are exposed to damage and loss.

The original plan of the machine shop for steam engineering contemplated two wings, one for boiler shop and the other for an erecting shop. I respectfully renew my recommendation of last year for an appropriation of \$135,243 for the erection of the boiler-shop wing to this building. The erection of this wing will add much to the efficiency of the steam engineering department, by concentration. The present boiler shop is at some distance from the machine shop, inconveniently located, and is in an unsafe condition. After being repaired it can be devoted to other purposes.

The temporary shed for the protection of shipwrights and others employed upon vessels in the dry-dock is in a very bad condition, needing repairs amounting virtually to rebuilding. It is proposed to erect by the side of the dock a permanent brick and iron structure for the above purpose, where workmen can be protected in all weather and an estimate of its cost is respectfully presented, viz, \$13,814.

The building at present used as a paint shop is very old, built of wood and needing very extensive repairs (which it is hardly worth), its floors oil-soaked, and the whole concern a constant danger from fire. An estimate of \$19,986 is presented to erect a substantial fire-proof building in its place.

Until the sewer authorized to be built across the yard to the east river is completed, the sewerage of the northeastern portion of the city of Brooklyn must continue to be emptied into the water-front of this yard to the great injury of the channel, impairment of its limited water-front, destructive of property, and detrimental to health.

To preserve this channel, prevent the impairment of the limited water-front, and to keep the entrance to the dry-dock always accessible, dredging is an absolute necessity, and an estimate of \$50,000 is respectfully presented for this purpose.

The so-called cob-dock, a valuable adjunct to this yard for storage and other purposes, is in a very bad condition and needs extensive repairs for its preservation. An estimate of \$75,000 is presented for the commencement of this much needed work.

LEAGUE ISLAND NAVY-YARD.

The ordinary operations of this station have been conducted with economy and good judgment. It is not a completed yard, but on the contrary is only in its infancy; therefore its needs are great.

Permanent buildings are needed for workshops and storehouses for the different departments, office buildings for the transaction of business, and dwellings for the officers stationed there, costing probably some \$700,000, but as the nature of the locality is such that no permanent buildings can be erected until the land is prepared therefor, I present no estimate for them. I, however, respectfully present an estimate for \$155,000 for dredging and filling in. Before buildings are erected this filling-in process must be carried on and time given for the material to settle to permanent grade. The filling-in material to be taken mostly from the back channel.

A wharf on the Delaware front is much needed, and, should building operations be commenced on a large scale, will become an absolute necessity, and an estimate for this purpose is therefore presented of \$25,416.

I would also strongly recommend the continuance of the paving system already begun, as in wet weather the roads of the yard are almost impassable. An estimate for continuing paving of \$12,294 is presented.

WASHINGTON NAVY-YARD, D. C.

The general condition of the buildings and works under the cognizance of this Bureau, is very fair, and gives evidence that the appropriation has been carefully expended.

The following estimates are respectfully presented for works of improvement, considered necessary to its efficiency, viz:

The ordnance machine-shop, \$95,000.

The building at present used for this purpose was surveyed in June, 1881, and found to be unsafe. It was extensively repaired, and reduced one story, and is now inadequate to the requirement of the ordnance department. The board of survey recommended the erection of a new building, and its report was approved by the honorable Secretary of the Navy June 30, 1881.

Steam tug of 3½ feet draft, \$5,000.

This tug is a necessary adjunct to the dredging apparatus and its operations. It is proposed to remove the dredged material to the flats opposite the yard, and for this work light draft is necessary.

For continuation of dredging, \$15,000.

The western limit of this navy-yard is only protected by the adjoining marshy land, and is entirely open to access by unauthorized persons and consequent depredation and mischief. An estimate of \$21,711 is asked for to extend the yard wall along this boundary to the river.

In this connection I deem it advisable to renew the recommendation made in former years for the purchase by the government of square 853, and even to extend this purchase to the east house line of Fourth street. The latter will give us firm land on which to erect the wall, while with the present limits, or with the addition of square 853, the wall would be built through the marsh at considerably greater cost. An estimate of \$12,604 is presented for the purchase of square 853.

NORFOLK NAVY-YARD.

This yard is in fair condition, and has been well cared for.

The following works of improvement are recommended and estimates presented therefor:

Extending railroad tracks, &c., \$30,000.

The annual cost of transportation in this yard, to this Bureau, is between \$15,000 and \$20,000, and very slow at that. It is proposed to make connections with proper turn-outs, &c., with the wharves and store-houses, and with a small engine and a few cars the transportation in this yard, it is believed, can be reduced below \$10,000.

Extension of quay wall, \$300,000.

This very important work should be carried on as rapidly as possible, as a matter of economy. Where the ravages of the *Teredo navalis* are as extensive and rapid as in the water adjacent to the yard, the repairing and rebuilding of wooden wharves is a constant and heavy expense. It is important to continue the quay wall of concrete and stone the entire length of the water-front.

Cistern near foundry, \$4,967.

This yard is mainly dependent upon cisterns for its supply of water for mechanical and fire purposes.

This is one of the most important yards on the Atlantic coast, and its usefulness should be increased. To this end the present dry-dock should be enlarged and another built. An estimate is respectfully presented for \$202,247 for the former, and as the dock cannot be used while the work of extension is going on, it is recommended that a marine railway be built before the work on the dock is commenced, and an appropriation of \$101,581 is asked for this purpose.

Boiler-shop	\$18,588
Extension of erecting-shop No. 23	13,998
Timber-sheds Nos. 34 and 35	71,034
Chain and cordage store	36,158

The last four items are for buildings much needed, and it is simply restoring upon former sites buildings that were destroyed during the war.

PENSACOLA NAVY-YARD.

If this yard is to be retained its usefulness should be increased, and to this end it is important that the work commenced many years since, viz, the building of the quay wall and forming a basin, should be continued.

The southern front of this yard is the only portion having sufficient depth of water for vessels to reach the wharves, and where they are much exposed to the heavy southerly storms and seas, rendering it frequently impossible for vessels to lie at the wharves without endangering their safety and that of the wharves. The design was to inclose a large area of water—seven acres on this front—wherein vessels could lie in safety at all times.

A portion of this quay wall was completed before the war of the rebellion, but nothing has been done since, and nearly if not quite all of the original plant has disappeared by theft, fire, and natural decay.

The estimate presented for the completion of this work, as originally designed, is \$1,962,700; but as its importance and necessity will depend upon the fate of the yard, it is not presented as an estimate for an appropriation.

An estimate is made and appropriation asked of \$71,073 for complet-

ing the iron sectional dry dock. There are four sections of this dock now at the yard, and the money asked for is necessary for setting up the sides, frames, and machinery for their proper working.

The facilities for landing and shipping coal, &c., at this station are imperfect and inefficient. The depth of water at the coal wharf is insufficient for any other than small vessels, and much of the coal has to be landed at a wharf twelve hundred feet distant from the coal house, and carted thence through the heavy sand at great expense. It is proposed to extend the coal wharf and improve the facilities for landing coal, and an estimate of \$10,869 is presented for this purpose.

During the war the officers' quarters were burned. The small, unhealthy, and uncomfortable brick kitchens have since been occupied as quarters. Some of these buildings have been raised a story, and made into comparatively comfortable residences. There are still three of these buildings unraised, and it is proposed to make them uniform with the others. It is estimated that the cost of this work will be \$25,000, and that sum is respectfully asked.

An estimate of \$5,000 is presented for extending the railroad facilities of this yard. The soil is purely sand, rendering teaming a difficult, laborious, expensive, and slow work.

MARE ISLAND NAVY-YARD.

This, the only navy-yard on the Pacific coast of the United States, is of the first importance, and should be put and kept at all times in a thorough condition of usefulness.

During the fiscal year ending June 30, 1882, considerable progress has been made upon the stone dry-dock in course of construction. This dock was commenced some nine years ago, and it is fully time it should have been finished. Indeed, it is strongly advised that it should be hurried to completion. The excavation is now progressing toward the face of the dock, and the caisson should be built and put in place as soon as possible. This is essential to the safety of the work as well as to the lives of those engaged upon it, for, should the coffer-dam suddenly give way during working hours, the destruction of the dock would be assured, as also many lives. It must be borne in mind that this coffer-dam has been down nine years, and that apprehensions of its giving way are not groundless.

I respectfully present the following extract from the report of Civil Engineer C. C. Wolcott, in charge of the dock, upon whose opinion and judgment I place great reliance:

The safety of the work can be well assured when the caisson is in place, but until that progress has been made I can only invite attention to the constant warnings of the danger, and to the statement and tracing showing its decayed and enfeebled condition as ascertained by the boring tests, and to the enormous force it is called upon to resist, and which moves such an immense structure to and fro with the tides, as shown in the recorded movements.

The extract refers to the coffer-dam. In view of the absolute necessity of completing this dock I do not hesitate to present an estimate of \$700,000 for its probable completion. This is not only for the caisson and pumping engines, but for the dock itself, and it is advisable that a portion at least of this amount should be made available immediately, as in all probability the caisson will have to be built and fitted at the East, and the material then shipped to California. The same may be probably said of the pumping machinery.

The necessity for increased protection of timber, lumber, &c., has

long been manifest at this yard, and should be provided. To this end it is proposed to make an addition of wood to the present unfinished timber-shed No. 94, to the extent of 200 feet by 70, and for this purpose an estimate of \$11,802 is presented.

In consequence of the long-continued dry season in California wherein the grasses and all wood-work become so dried up, the danger from fire is greatly increased, while the yard is inefficiently protected from the ravages of this destructive element. More protection is absolutely necessary, as many of the buildings and valuable property are far removed from the source of water supply. I therefore earnestly recommend the construction of cisterns in suitable locations, to be kept at all times filled with salt water, as a reserve, and present an estimate of \$30,000 for this purpose.

The continuance of the quay wall, construction of wharves, &c., are works of great importance. The present water front is very limited and totally inadequate for the requirements in a time of activity; owing to the irregular outline of the shore, eddies are formed which conduce to the deposit of silt, &c., rendering much dredging necessary at great expense. The straightening of the shore line will in a measure obviate this trouble and considerably reduce the cost of dredging. Owing to the inaccessibility of the coal wharf, from the shoaling of the water, coal has to be landed at a distance of some twelve hundred or more feet and carted to the coal house; a work of labor, time, and expense.

The completion of this quay wall, with suitable dredging, will give access to the yard at many points now inaccessible.

For the purpose above alluded to, estimates are presented of \$80,000 for quay wall and ferry slip, and \$30,000 to replace the old landing wharf.

An estimate is also presented of \$40,000 for roads, walks, gutters, and drains. Owing to the nature of the soil, the roads in the rainy season are almost impassable, increasing very materially the cost of teaming. It is absolutely of great importance that the roads over which there is the most traffic should be placed in a permanently good condition.

The present sewerage is very defective and should be permanently improved.

KEY WEST NAVAL STATION.

There are at this station quite a number of buildings which require much care and attention, outdoor structures of all kinds deteriorating very rapidly in that climate. This property is now in moderately good condition, and, without specifying the exact amount, such sums will be applied to it in the coming fiscal year as may be found necessary.

If this station is to be retained, it is important that it should at all times be kept in working condition and free from danger of damage from the elements. From lack of proper protection, its shore line is constantly changing, from the action of the waves. The bulkhead or quay wall along a portion of its sea front has in a great measure been destroyed by the united action of the waves and sea worm, so that it is now practically worthless. It is proposed to protect this front by constructing a permanent sea wall of concrete and coral, in a straight line, which, when filled in, will add several thousand square feet to the sea front of the station. I deem this work very necessary and ask an appropriation of \$4,000 to carry it on.

Two years ago an appropriation of \$30,000 was made for a pier wharf

at this station. With the approbation of your predecessor, a contract was made with Messrs. A. P. Boller & Co., of New York, to furnish material and certain labor for the removal of the old and the erection of the new wharf, on plans prepared by the Bureau. The material has been furnished and is on the ground, and work was commenced in July last, but in consequence of alleged inefficiency and insufficiency of the working plant provided by the contractor, work was suspended on the 8th of July last, and the uncompleted work declined. The terms of settlement are now in dispute between the Bureau and contractor. The Bureau proposes to go on and complete this work with its own facilities.

NAVAL ASYLUM.

There were on the rolls of this institution on July 1, 1882, the names of 194 beneficiaries, an increase of 6 over the preceding year, and the building is uncomfortably full. Twenty years' service in the Navy or Marine Corps is required to entitle to admission, though exceptions have been made by order of the honorable Secretary, from time to time, in favor of applicants of shorter terms of service. Applications of this character are constantly being made, and the department finds itself obliged to decline many of them, in order to reserve room for those who are fully entitled to the benefits of the institution.

The question of increased accommodation deserves careful consideration, and it is respectfully recommended that an addition be made in the rear of the main building, for kitchen, laundry, and servants' quarters, fitting up bath-room for use of beneficiaries, removing laundry boilers and tubs to new building, and new range for kitchen in new building; and for these purposes an estimate of \$20,000 is made. An estimate of \$4,000 is also presented for relaying the water pipes in the grounds. The supply of water is inadequate, and during the summer months it frequently fails to run on the ground floor. This is in great part due to the bad condition of the pipes, which are much choked with rust, earthy deposit, and vegetable growth. The estimate presented is from the city water department, and is therefore presumed to be as reasonable as can be expected.

I again respectfully suggest the propriety of a removal of the institution to some more favorable site, where the old men, who have spent the best years of their lives on salt water, may see something to remind them of their past lives and its varied and exciting experiences. The faith of the government is pledged to make suitable provision for the care and comfort of these old men, and it cannot do too much for them.

REPAIRS AND PRESERVATION.

The great number of buildings, dry-docks, wharves, roads, walls, fences, &c., at the various yards require a large annual outlay to preserve them from deterioration and decay, and the amount asked for under this head is much needed, and the Bureau earnestly urges the appropriation of the amount of the estimates, viz, \$462,000.

GENERAL MAINTENANCE.

Under this head comes the most pressing and necessary expenses of a navy-yard. They embrace the care of the yard and all buildings, watch force, fire department; purchase and maintenance of horses, oxen, &c., teamsters carts, and vehicles of all kinds, water rent, gas,

&c., without which none of the other departments can carry on their operations. The sum asked for, viz, \$490,000, is absolutely necessary.

CONTINGENT.

The sum required under this head, viz, \$30,000, is to meet unforeseen emergencies that may arise, calling for immediate outlay that has not been estimated for. It is a small but most necessary reserve.

GENERAL REMARKS.

If the United States assumes to be a naval power at all, it should not be content with occupying a subordinate position, as, adjuncts to a navy-yard, where ships may be constructed, repaired, and equipped, are as necessary as ships. To this end the machinery, appliances, and facilities should be the best that can be procured. In this respect the navy-yards are far behind many of the private establishments of the country. This should not be the case; where time is money, every means should be adopted in the direction of expediting work. In many of our yards the distances are great, means and conveniences of transportation few and slow, and much time is lost in passing work from one shop to another.

If it is expected that our yards are to do work efficiently, and as well as other manufacturing establishments, they must be supplied with the same time and labor-saving conveniences, and not handicapped with serious expenses which are at present unavoidable, and which no private establishment could or would tolerate. As well might we expect a cabinet-maker to do his work with ordinary carpenter's tools.

Accompanying this report is an abstract of orders for supplies received for furnishing articles coming under the cognizance of the Bureau of Yards and Docks, made in conformity to the act of Congress, approved March 3, 1843.

The following estimates for the fiscal year ending June 30, 1884, are respectfully submitted:

For support of Bureau of Yards and Docks.....	\$13,360 00
General maintenance of yards and stations and contingent.....	520,000 00
Support of Naval Asylum.....	92,191 00
Repairs and preservation.....	462,000 00
Improvement at navy-yards.....	3,100,444 00
Civil establishment.....	43,018 25

Total estimate of yards and docks..... 4,231,013 25

Very respectfully, your obedient servant,

ED. T. NICHOLS,
Chief of Bureau.

Hon. W. E. CHANDLER,
Secretary of the Navy.

REPORT OF THE CHIEF OF THE BUREAU OF EQUIPMENT
AND RECRUITING.WASHINGTON, *October 28, 1882.*

SIR: I have the honor to submit herewith the annual report of the operations of this Bureau during the past fiscal year, together with accompanying detailed estimates for the fiscal year ending June 30, 1884.

During the past year 69 vessels have been wholly or partially equipped under this Bureau, at an expenditure for labor of \$72,480.26 and for material of \$511,516.66, making a total of \$583,996.92.

For the present fiscal year, Congress appropriated under "equipment of vessels" only \$750,000, notwithstanding the Bureau's estimate was for \$896,000, which was based upon the increased wants of the service at that time. Since the 1st of July last a number of vessels have been put in commission in addition, and it is believed that the increased amount asked under said appropriation for the ensuing fiscal year is absolutely necessary for the maintenance of the number of vessels in commission, and for the constant repairs in the workshops under this Bureau in the several navy-yards.

COAL.

There have been purchased at home and abroad 44,814 tons of coal, costing, including freight, \$378,006.28.

During the past year Commander J. H. Sands, commanding the U. S. S. *Iroquois*, has made a reconnaissance of Magdalena Bay, Lower California (referred to in my last annual report), with a view of establishing a coal depot there. His report, setting forth the many advantages the place offers for a coaling station, fully corroborates my views in the premises, based upon past experience.

I have again submitted an estimate for \$80,000 for the building of eight iron coal barges of about 250 tons capacity each, with steam hoisting apparatus. The necessity for these coal barges is fully set forth in my last annual report. I have nothing to add, but that this necessity has become more apparent, by the great difficulty lately experienced in coaling a number of vessels of the North Atlantic squadron, assembled at one time at New York and Hampton Roads, entailing upon this Bureau a large expense for want of proper transportation for coaling them. I therefore respectfully and earnestly invite your attention to this, in my opinion, so important a matter to the interest of the service.

ROPEWALK.

The following cordage have been manufactured :

	Cost.
245,097 pounds of Manila rope.....	\$49,019 40
405,084 pounds of hemp rope.....	98,728 53
1,866 pounds of hide rope.....	1,866 00

There have been purchased 168,210 pounds Manila hemp, costing \$20,256.93, and 115,426 pounds Russia hemp, costing \$9,737.07.

ROLLING MILL.

Upwards of 600,000 pounds of superior bar and plate iron have been manufactured for cables, &c. Two of Talton's chilled rolls have been purchased, and have given entire satisfaction. Experiments are constantly being made with the material on hand with a view of obtaining the best grade of iron.

FORGE AND ANCHOR SHOP.

This shop has been engaged during a portion of the year in the making of iron and steel forgings, principally for the Bureau of Ordnance, and in the manufacture of anchors, &c.

SMITH AND CHAIN SHOP.

This shop continues to make all chain cables, &c., and testing them. Here are all the appliances for testing iron, and during the year new tools have been introduced to advantage; among them is a clamp or pair of clamps, holding the samples to be pulled. These clamps are made in wedge shapes, fitted to a block; they have three holes bored in them, two outside for testing links after being bent, and for holding the end links of samples to be tested, thus making one set of end links break an indefinite number of samples; the other hole is in the center and is for testing bar samples. It has been the custom in the past to heat and head the samples before testing; this is now dispensed with; the sample is taken just as it comes from the mill, placed on the dies and broken (thus giving the actual strength of the iron).

This appliance has greatly reduced the cost of testing. There has also been on trial during the year a machine designed by Commander R. D. Evans and Mr. Green, foreman of the chain shop, for cutting and bending chain links, either hot or cold. This device is attached to a steam hammer; on the lower die or anvil block there are two standards securely fastened; on the upper die is attached the former and knife. This machine will do, in a given time, about eight times as much work as by the old method of bending links.

GALLEY SHOP.

This shop continues the building and repairing of galleys, &c. During the year a new style of range, patented by Mr. Young, foreman of said shop, has been built and put up for the purpose of testing its merits in actual service. It has thus far given the most satisfactory results.

RECRUITING.

There were 8,018 men and boys in the service on June 30, 1882, of which 950 were boys to serve until reaching 21 years of age. The enlistments during the past year were 5,620, of which number 478 were boys.

I would again recommend that Congress make some special legislation for the men employed on vessels of the Coast Survey, the Fish Commission, and the practice vessels of the Naval Academy, as the number required for them very materially cripples the effective force of the Navy.

Very respectfully, your obedient servant,

EARL ENGLISH,
Chief of Bureau.

Hon. WILLIAM E. CHANDLER, *Secretary of the Navy.*

* * * * *

REPORT OF THE CHIEF OF THE BUREAU OF NAVIGATION.

BUREAU OF NAVIGATION, NAVY DEPARTMENT,
Washington, November 15, 1882.

SIR: I have the honor to submit the following report of the Bureau of Navigation for the past year, together with the estimates for its support, and for the expenditures that will probably be required in that division of the naval service committed to its immediate charge for the fiscal year ending June 30, 1884.

Included in this report, and transmitted herewith, are the reports and estimates of the several offices under its cognizance, and an abstract of offers for supplies received.

NAVIGATION.

The American Practical Navigator, the revision of which was commenced in November, 1878, has been satisfactorily completed, and is ready for issue. A new edition of the Useful Tables has also been prepared, and is now in the hands of the printer.

Compasses.—To keep the large number of compasses in serviceable condition frequent repairs are necessary. In the absence of suitable facilities for making the required tests of the instruments at the Naval Observatory, they are tested at the observatory connected with the establishment of the manufacturer at Brookline, Mass., which involves the expense and inconvenience of sending the Superintendent of Compasses to that place whenever compasses are repaired or purchased.

At present it is only practicable for this officer to examine the compasses for sensibility, directive force, and centering; but, to insure reliable compasses, the pivot, and the jewel of the cap should be examined to detect roughness, flaws, or cracks; the liquid should be tested to insure the proper amount of alcohol; the float should be subjected to heat; and experiments should be made upon the sixty or more needles which compose the two bundles for each compass-card.

Every compass should be examined before being issued to a ship going into commission, and again upon the return of a ship from a cruise, in order to determine the effect produced upon it by change of locality.

The compasses of iron and steel ships lose their directive force in a comparatively short time, and the errors, due to the effect of the material of construction, constantly vary. There is now no means of inquiring into the causes of errors in compasses, with a view to providing a remedy therefor, and to insure reliable instruments being supplied to our vessels.

During the past year I have caused the inquiry into the subject of the magnetism of ships to be continued. The magnetic history of every vessel hereafter built for the Navy is to be carefully recorded from a series of observations which will begin with her construction.

In order to aid the scientific study which is now made of the construction of the marine compass, the necessary tests and compensation, its errors and surroundings on shipboard, and the effect of geographical change, there is need of a suitable building in a location free from magnetic masses, and away from causes which produce vibration; and I have therefore submitted an estimate for erecting such a building.

Determination of longitudes.—The expedition under Lieut. Commander F. M. Green, for the telegraphic determination of longitudes in the China and Japan Seas, referred to in my last report, has returned to the United States, having completed the necessary observations, and

the officers who composed the expedition are now engaged in the computation of their work.

During the year 1881 and the first part of 1882, eleven stations were occupied, extending from Vladivostok in Siberia, to Madras in British India, and exact latitude and longitude determinations were made of Yokohama, Nagasaki, Shanghai, Amoy, Hong-Kong, Manila, Saigon, Singapore, and Batavia.

The results of this important work will be published early in the coming year, and will afford the means of correcting and confirming the positions of about 3,000 points in Eastern waters.

In the further prosecution of this important work it is proposed to carry a chain of longitudes from Galveston, Tex., over the newly completed lines of the Central and South American Telegraph Company, to Vera Cruz; thence to Coatzacoalcos and across the Isthmus of Tehuantepec to Salinas Cruz; thence south to Panama, Payta, Callao, and Valparaiso, thus confirming and correcting all the chronometric determinations previously made on the west coast of South America and in the eastern part of the South Pacific Ocean.

This will fully complete the measurement of differences of longitude over existing ocean cable lines, and with a short measurement across the Andes, from Santiago to Cordova, will complete the enormous polygon whose sides are Washington-Greenwich, Greenwich-Lisbon, Lisbon-Madeira, Madeira-Porto Grande, Porto Grande-Pernambuco, Pernambuco-Bahia, Bahia-Rio de Janeiro, Rio de Janeiro-Buenos Ayres, Buenos Ayres-Cordova, Cordova-Santiago, Santiago-Valparaiso, Valparaiso-Callao, Callao-Payta, Payta-Panama, Panama-Salinas Cruz, Salinas Cruz-Coatzacoalcos, Coatzacoalcos-Vera Cruz, Vera Cruz-Galveston, Galveston-Washington.

The work on the coasts of Central and South America can be accomplished in two seasons, taking the spring months for Central America, and the following winter for work south of Panama.

The Department Library is at present totally inadequate to the needs of the various offices in the department. It consists of about 7,000 volumes of little value, in large part the relics of old ships' libraries which have been turned in as no longer suitable for distribution. The want of an adequate library of modern books of reference is a serious obstacle in carrying on the work of the department, and there is urgent need of an appropriation to supply the deficiency.

I would further recommend that the restrictions now imposed upon the binding of books for the library of the Department be removed, and that the library be placed, in this respect, upon the same footing as the library of the Department of State, for which provision was made in the act approved February 26, 1879, (Forty-fifth Congress, third session, chapter 106).

An Office of Intelligence, now generally recognized as necessary to the effectiveness of an Army or Navy, and established by a general order, has been organized for the purpose of systematizing the collection and classification of information for the use of the Department, in relation to the strength and resources of foreign navies.

Navigation supplies.—The revised allowance list of stores supplied to naval vessels, under cognizance of this Bureau, has been printed and issued.

By direction of the Bureau, the speed indicator invented by Ensign W. J. Hogg, U. S. N., was tried on board the U. S. ship Jamestown, during her passage from San Francisco to Newport, with most satisfac-

tory results, and its adoption in the Navy, has been recommended by a board of officers.

A number of new books have been added to the libraries of ships, and journals and papers upon professional subjects are now furnished them in such quantities as the limited appropriation admits.

Preliminary steps have been taken to fit a naval vessel with the incandescent system of electric lighting, during the present fiscal year.

Regulations for preventing collisions at sea.—I beg leave to renew the suggestion made in my former report, that Congress be requested to remedy the evil now existing by reason of the difference between the laws of the United States in reference to preventing collisions at sea, and the Revised International Regulations, which have been adopted by all other maritime nations.

Serious losses, both of life and property, may and probably will occur, unless measures are speedily taken to obviate the confusion which now exists, owing to conflicting regulations.

In connection with this object, I desire to invite your attention to the importance of a modification (for the inland waters of the United States) of Rules 17 and 20, for preventing collisions on water, chapter 5, page 818, Revised Statutes of the United States, second edition, 1878.

Rule 20 requires steam vessels under all circumstances to keep out of the way of vessels propelled by sails; and is so interpreted by the courts.

In practice, this rule gives a sailing vessel of the smallest size, drawing but little water, the right to hold her course in the narrow channel of a bay or river, which has been deepened at great expense by the general government in order to facilitate commerce in heavy ships; and requires a steamer of the largest size and heaviest draught of water to keep out of the way. In other words, although the bay or river may be miles wide, and navigable in all parts for the small vessel, and with a channel of but 100 yards in width capable of floating the steamer, the latter is required by law to avoid the former. This is often impracticable, and the observance of the rule may frequently result in the grounding and perhaps destruction of the steamer, with a loss of many thousands of dollars to the owners or underwriters.

Rule 17 is of the same character, and requires sailing vessels which have the wind free to keep out of the way of vessels sailing close hauled; or compels large ships of deep draught, restricted by their draught to a narrow channel, to avoid, when the wind is free, small vessels bound in an opposite direction, even though the latter may have miles of space in which to maneuver.

While the wisdom of requiring vessels under steam to avoid sailing vessels on the high seas cannot be denied, I respectfully suggest such modifications of Rules 17 and 20 as will insure to the deep-draught ships the right of way in narrow deep channels, either natural or artificial, in localities where light-draught vessels will not be liable to injury by using the shoaler water.

SIGNAL OFFICE.

Extended trials have demonstrated the superiority of the system of night signals invented by Lieut. E. W. Very, U. S. N., it has been adopted for use, and Coston lights are no longer supplied to ships.

The system of taking simultaneous meteorological observations on board of all naval vessels has been continued during the past year.

HYDROGRAPHY. *

A complete survey has been made of the Bay of Samana, Santo Domingo, by Commander Bridgman and the officers of the U. S. S. *Despatch*, and the survey of the west coast of Mexico, by Commander Philip and the officers of the U. S. S. *Ranger*, has been continued and is nearly completed.

A running survey of Wrangel Island was made by Lieutenant Berry and the officers of the U. S. S. *Rogers*.

Important information in regard to the coasts and waters of Iceland was obtained by Commander Wadleigh in the U. S. S. *Alliance*, while cruising in search of tidings of the U. S. S. *Jeannette*.

The group of islands discovered by Lieutenant-Commander DeLong, in the *Jeannette*, has been entered upon the charts of the Hydrographic Office as De Long Islands, in memory of that gallant officer.

New charts have been issued and others are in process of preparation by engraving, photolithography, and heliography.

Pilot charts for the different oceans are being published as rapidly as the appropriations will allow. One for the North Pacific was completed three years ago. Since that time the arrangement of the chart has been improved, and in future, the charts will be prepared on the graphic plan.

Charts of the North and South Atlantic Oceans are now in course of preparation and will shortly be ready for publication. The data are computed for each square of five degrees and for each month of the year, and the charts will give the prevailing conditions for each square, as to rain and fog, the direction and force of the wind, the range of barometer, and the mean temperatures of the air and water.

Additional sailing directions, notices to mariners, and corrected light and buoy lists have been published.

I have the honor to call your attention to the detailed report of the Hydrographer, and to state that it is most desirable that the appropriation asked for may be granted, in order that information which the Hydrographic Office now possesses may be published for the use of the Navy and Merchant Marine.

NAVAL OBSERVATORY.

The report of the Superintendent of the Naval Observatory, hereto appended, gives the observations made during the past year of planets, satellites, stars, and comets, specifying the work performed with the several instruments. It treats of the work done in the meteorological and chronometer departments; of the daily transmission of time signals, and of the publications and computations made.

A system of testing and regulating navigation and meteorological instruments used in the Navy has been established at the Observatory.

The present Observatory buildings are in very defective condition, and although only the most necessary repairs are made, a considerable portion of the annual appropriation is now expended in keeping them in a working condition, and in protecting the valuable instruments against injury.

The unsuitableness of the present location of the Observatory, (so often mentioned in previous annual and special reports, by reason of fogs and vapors in the immediate vicinity of the Potomac River, has again been demonstrated by the difficulty attending observations during the past year.

Transit of Venus.—The preparations for observing the coming transit

of Venus have occupied the attention of the Transit of Venus Commission, of which the Superintendent of the Naval Observatory is the chairman.

The method selected for the observation will be similar to that used in 1874, viz, by photography. A party will occupy each of the following stations: Cape of Good Hope; Santa Cruz, Patagonia; Santiago de Chile; New Zealand; San Antonio, Tex.; Cedar Keys, Fla.; Fort Selden, N. Mex.; and Washington, D. C.

NAUTICAL ALMANAC OFFICE.

The Nautical Almanac and large Ephemeris for the year 1885 have been issued. A supplement to the volumes 1881-'84, intended for the use of field observers engaged in the public surveys, has been prepared, comprising the ephemerides of the apparent right ascensions of one hundred and seventy-five stars, in addition to those already given in the regular list of the Ephemeris, and is now in press. A portion of the Almanac and Ephemeris for 1886 is in type; the computations for 1887 are in progress, and those for 1888 have been begun. The increased force at the disposal of the Superintendent has enabled him to hasten the work of investigating the planetary motions obtained from the most modern data.

Experiments for determining the velocity of light have been continued, and they are now regarded as completed.

I have the honor to call your attention to the fact that there appear to be indications of a growing tendency on the part of another branch of the executive to encroach upon work which has fallen for many years within the legitimate province of offices under the supervision of this Bureau.

The local time has been signaled from the Naval Observatory since the year 1845; and since 1877 a time-ball has been dropped at New York City, daily at noon, by signal from the Observatory.

A bill (H. R. 5009) is now pending in Congress, which has in view a useful extension of the system. The Signal Service of the Army, however, appears to be attempting to connect itself with the time service, with which its specific work has no relation whatever. It has accordingly published, at the government expense, a work on the construction and maintenance of time-balls, and the Chief Signal Officer has recently announced in an official publication, entitled "Memoranda of useful Information for Ship-masters," that "arrangements are now in progress for the erection of a second time-ball in New York City, which will be established upon the building of the Equitable Life Assurance Company of that city."

It is not apparent whether the work referred to is to be carried on in part by the Signal Service; but the official announcement made and published by the Chief Signal Officer, coupled with the fact that the designated building is a station of the Signal Service, would seem to warrant such an inference.

The late Superintendent of the Naval Observatory, Rear-Admiral John Rodgers, in a letter to the Navy Department dated January 27, 1882, gave the following opinion:

"The Signal Bureau seeks apparently to give time-signals to the United States. This is a self-imposed task and pecuniary burden. The Signal Bureau has not, necessarily, astronomers, nor telescopes, nor the means of controlling clocks by astronomical observations. Time-signals may be intended as the first step to aid these. They would follow; and it is better to object now than when the appropriations are frittered in useless expenditures of similar work."

The operations of the Signal Service have been further extended by the organization of a "marine division" in the office of the Chief Signal Officer, and by the establishment of a "marine agency" in the city of New York.

Charts of the North Atlantic Ocean are issued containing information as to the direction of cyclones, the limits of icebergs during different months of the year, and the direction of the prevailing winds in the different ocean squares.

The latter work, begun by Lieutenant Maury of the Navy, has been continued and extended by the Hydrographic Office connected with this Bureau; and the question arises whether it could have been intended by the legislature that appropriations which, however liberal in their amount and vague in their limitations, were made to carry on the meteorological service, should be diverted from their general object and applied to work which is specifically in the charge of another department.

The issue of maps or charts of the ocean and the dissemination of information for navigators has long been one of the duties of this Bureau, and of the offices under its direction, and, while paying the highest tribute to the usefulness of the Signal Service of the Army in its proper sphere, I deem it my duty to call attention to what appears to be an unwarranted extension of its operations in this direction.

In this connection, I would refer to a proviso appended to the appropriation for the work of the Signal Service, in the act approved August 7, 1882, known as the sundry civil appropriation act, as follows:

Provided, That the work of no other department, bureau, or commission, authorized by law, shall be done by this bureau: *Provided further*, That nothing herein contained shall restrict the performance of all duties of the Signal Service Bureau prescribed by existing law.

Respectfully submitted.

J. G. WALKER,
Chief of Bureau.

Hon. W. E. CHANDLER,
Secretary of the Navy.

* * * * *

REPORT OF THE SUPERINTENDENT OF THE NAVAL OBSERVATORY.

UNITED STATES NAVAL OBSERVATORY,
Washington, October 28, 1882.

SIR: I have the honor to submit herewith a report of the work of the Naval Observatory during the past year.

I assumed the direction of the Observatory on the 1st of July last, relieving Commander W. T. Sampson, who had been appointed to act temporarily as Superintendent after the death of Rear-Admiral John Rodgers.

THE 26-INCH EQUATORIAL.

This instrument has been in charge of Prof. A. Hall, with Prof. E. Frisby as assistant. The instrument is in good order and has been used constantly during the past year in observations of the satellites of the outer planets, and of double stars. A few observations also have been made of comets when very faint.

In addition to his regular work on the 26-inch Equatorial as assistant to Professor Hall, Professor Frisby has continued to make observations of comet *b* of 1881. His last observation was on January 19 of the present year. This, it is believed, is the latest observation of that comet that has been made anywhere. The comet Wells was also observed by him on the 9½-inch Equatorial from March 29 to July 10. Eleven observations were made and elements computed, which were sent to the *Astronomische Nachrichten*. Three observations of Barnard's comet were also made.

The great comet of 1882 was likewise observed by Professor Frisby, and elements and an ephemeris computed, which were published in various astronomical and scientific papers, and proved to be very accurate. Eight observations of this comet have been made by Professor Frisby to the present date.

THE TRANSIT CIRCLE.

This instrument, under the direction of Prof. J. R. Eastman, has been employed on the same kind of work as last year, and with the same force of observers, except that Assistant Miles Rock was detailed on September 1 for work with a Transit of Venus party in Chili, and Ensign S. J. Brown was assigned to duty on the Transit Circle in his place.

The number of observations made since October 12, 1881, is 4,800. Of these observations 96 were of the sun, 63 of the moon, 176 of major planets, 80 of minor planets, and 2 of comets.

THE 9½ INCH EQUATORIAL AND COMET SEEKER.

These instruments, also under the direction of Professor Eastman, have been used in the observations of comets, occultations, the phenomena of Jupiter's satellites, and in verifying the places of asteroids before they can be found with the Transit Circle.

The meteorological department has continued the same as last year.

Corrections to the mean time and motor clocks for the time-service have been furnished by observers on the Transit Circle until relieved of this duty September 6.

PRIME VERTICAL.

This instrument is being placed in adjustment, and will be employed by Lieuts. R. R. Ingersoll and C. G. Bowman in a series of observations to determine the constant of aberration.

NAUTICAL INSTRUMENTS.

It is proposed to employ the facilities of the Observatory to test and regulate the instruments used in the service for the purpose of navigation in the same manner that chronometers are now tested.

Master W. E. Sewell has been placed in charge of this branch, and is making progress with the work.

A considerable number of sextants have been examined to determine errors of eccentricity. This examination has developed the fact that these instruments are subject to many sources of error, and that the instruments of some makers are much superior to others. A detailed report will be made when the work is sufficiently advanced.

CHRONOMETERS.

This department of the Observatory work is in charge of Lieut. E. K. Moore, assisted by Lieut. U. R. Harris.

There are at present in the chronometer room 218 chronometers, of which 15 are ready for issue, 1 is on trial, 72 require repairs, and will

be repaired as wanted for issue, and 130 are condemned to be used only as "backs."

During the past year 54 have been received from vessels and other sources of service, most of which have been permitted to run down for repairs, having run their allotted time (four years) since being cleaned; 68 have been issued to vessels, "Transit of Venus Commission," and for other service; 45 have been cleaned and repaired, and there are 20 undergoing repairs at T. S. & J. D. Negus, New York, and 6 at William Bond & Son's, Boston.

One new chronometer was purchased from T. S. & J. D. Negus, an improved break-circuit sidereal, but as it was issued immediately for use in the Transit of Venus, it was not given the usual six months' trial.

The standard of chronometers issued for navigation purposes has been considerably raised, and is susceptible of being further improved. A better method of testing chronometers is now under consideration, and will soon be submitted to the department.

TRANSMISSION OF TIME SIGNALS.

This work is in charge of the officers having the care of the chronometers. The time continues to be sent over the wires of the Western Union Telegraph Company, as stated in last report, and time-balls are dropped at New York and Washington.

The ball at New York is dropped from a staff on the top of the Western Union Telegraph Company's building, at New York noon, for the meridian of the City Hall, which is $4^{\text{h}} 56^{\text{m}} 01^{\text{s}}.6$ west from Greenwich, and is dropped by direct connection with the Naval Observatory. This ball has occasionally failed, owing to interruptions in the circuit between the Observatory and New York. No failure has occurred in the dropping of the ball at the Observatory, but on one occasion the ball was dropped three seconds too soon by reason of laborers in the building interfering with the wires.

Since last report a time-ball has been constructed and connections have been made at the Washington navy-yard, and a ball is now dropped there daily, simultaneously with that at the Observatory.

The fire-alarm bells continue to be struck daily at 6 a. m., 12 m., and 6 p. m., and the horological establishments of Washington get their daily comparisons through the fire-alarm circuit from the Observatory.

In September the care of the mean-time standard clock and the determination of its errors were transferred to this department of the Observatory.

The east transit instrument was put in adjustment by Commander Sampson, and is now used for observing time stars. The same officers have charge of and regulate the motor clock which controls time-pieces in several departments of the government.

The electrical connections within the building, which are in the immediate charge of Mr. Gardner, remain without change, except such as was required by the use of the transit instrument and the prime vertical, neither of which instruments had been in use for several years.

TRANSIT OF VENUS.

Professor Harkness has been principally occupied in fitting out the parties for observing the approaching Transit of Venus and in reducing the zone observations made in Chili during the years 1850, 1851, and 1852, by the astronomical expedition to the southern hemisphere, under the late Capt. James M. Gilliss.

The reduction of these zones is now so far advanced that a card catalogue of all the stars has been formed, each star occupying a single card.

The total number of stars is about 17,000. They have been examined for accidental errors up to the end of twenty-one hours, but it yet remains to examine them for systematic errors.

Everything relating to the organization of the Transit of Venus parties is confided by law to the Transit of Venus Commission; but as most of the executive work has been done at the Observatory, it may be proper to refer to it here.

The instruments used for the last Transit have been examined and repaired; all necessary changes have been made in them, and some new instruments have been purchased.

At a very early stage of its deliberations the Commission decided to rely mainly upon the photographic method of observing, and, to ascertain the most suitable kind of emulsion, an extensive series of experiments was made by Mr. Joseph A. Rogers, who has also prepared all the emulsion needed for the various parties.

The number of parties organized is the same as at the last Transit, namely, eight, of which four will remain in the United States, and the other four have already departed for the southern hemisphere.

The names of the persons composing the various parties, and the stations to which they have been sent, are as follows:

FOREIGN STATIONS.

Cape of Good Hope.

Prof. Simon Newcomb, U. S. N., chief astronomer.

Lieut. T. L. Casey, U. S. A., assistant astronomer.

Ensign J. H. L. Holcombe, U. S. N., additional assistant astronomer.

Mr. Julius Ulke, Washington, D. C., photographer.

Santa Cruz, Patagonia.

Lieut. Samuel W. Very, U. S. N., chief astronomer.

Mr. O. B. Wheeler, Detroit, Mich., assistant astronomer.

Mr. William Bell, Philadelphia, Pa., photographer.

Mr. Irvin Stanley, Indianapolis, Ind., assistant photographer.

Santiago de Chile.

Prof. Lewis Boss, Albany, N. Y., chief astronomer.

Mr. Miles Rock, Naval Observatory, Washington, assistant astronomer.

Mr. Theo. C. Mareau, Washington, D. C., photographer.

Mr. Chas. S. Cudlip, Washington, D. C., assistant photographer.

New Zealand.

Mr. Edwin Smith, Coast and Geodetic Survey, chief astronomer.

Mr. Henry S. Pritchett, Saint Louis, Mo., assistant astronomer.

Mr. Augustus Story, Boston, Mass., photographer.

Mr. Gustav Theilkühl, Washington, D. C., assistant photographer.

HOME STATIONS.

San Antonio, Tex.

Prof. Asaph Hall, U. S. N., chief astronomer.

Mr. R. S. Woodward, Detroit, Mich., assistant astronomer.

Mr. D. B. Holmes, Milford, Del., photographer.

Mr. George H. Hurlbut, Belvidere, Ill., assistant photographer.

Cedar Keys, Fla.

Prof. J. R. Eastman, U. S. N., chief astronomer.

Lieut. John A. Norris, U. S. N., assistant astronomer.

Mr. George Prince, photographer Treasury Department, photographer.

Mr. George F. Maxwell, Washington, D. C., assistant photographer.

Fort Selden, N. Mex.

Prof. George Davidson, Coast and Geodetic Survey, chief astronomer.

Mr. J. S. Lawson, Coast and Geodetic Survey, assistant astronomer.

Mr. J. F. Pratt, Coast and Geodetic Survey, second assistant astronomer.

Mr. D. C. Chapman, Coast and Geodetic Survey, photographer.

Mr. T. S. Tappan, Bellaire, Ohio, assistant photographer.

Washington, D. C.

Prof. William Harkness, U. S. N., chief astronomer.

(The other members of the party have not yet been decided upon.)

LIBRARY.

The library contains about 10,000 volumes, classified as follows: Works on astronomy, mathematics, physics, meteorology, geography, geodesy, navigation, transactions of learned societies, and scientific periodicals.

One hundred and fifty have been added by purchase since last report, and an equal number by exchange. Twenty volumes have been bound, and one hundred and seventy are now at the government bindery.

The books, pamphlets, &c. are catalogued according to the card system, and a catalogue list is being prepared in conformity with the department's instructions.

The annual volume for 1877 has been distributed to the various scientific institutions of this and other countries. The demand for these publications is much in excess of the ability to supply them.

The volume for 1878 has been received from the bindery and will be distributed at once.

BUILDINGS.

During the past few months the buildings have been put in as thorough repair as the money available would permit. A large sum would be necessary to make all the repairs and alterations that are required, but in view of the possibility of removing the Observatory within a few years, it has been considered best to limit the outlay upon these buildings to the smallest amount that would properly protect the instruments, books, and other public property.

Very respectfully, your obedient servant,

S. C. ROWAN,

Vice-Admiral, Superintendent.

Commodore JNO. G. WALKER,

Chief of Bureau of Navigation, Washington, D. C.

REPORT OF THE HYDROGRAPHER.

NAVY DEPARTMENT, BUREAU OF NAVIGATION.

HYDROGRAPHIC OFFICE,

Washington, October 23, 1882.

SIR: In accordance with the order of the Bureau of Navigation, I have the honor to submit the following report of the operations of the Hydrographic Office for the fiscal year ending June 30, 1882:

WORK LEFT UNFINISHED IN THE PREVIOUS FISCAL YEAR 1880-'81.

General Chart of the South Pacific Ocean, in 8 half sheets.—The two eastern half sheets have been revised, the corrections engraved, and they are now on issue. The correction of the middle sheets has been finished in manuscript, but is yet to be engraved. The two western half sheets require extensive corrections (from numerous late surveys), which are now being made in manuscript.

General Chart of the North Atlantic Ocean, in 4 half sheets, is still delayed for the purpose of introducing late information, from the new surveys in the Spanish West India Possessions, which have not yet been published.

General Chart of the South Atlantic Ocean, in 4 half sheets.—The engraving has been finished, and the charts are under revision from the new foreign surveys published since the original manuscripts were given to the engraver.

Chart of the Mediterranean Sea, in 3 sheets.—The extensive corrections, resulting from new French and Italian surveys are now being engraved as fast as time can be taken from the correction of charts already on issue and in demand.

Chart of the North Sea, in 2 sheets, discontinued in the previous fiscal year on account of the pressure of other work, has, for the same reason, not yet been taken in hand again.

Chart of the Channels between the North Sea and the Baltic Sea.—The engraving has been carried out as far as it was provided for by agreement with the engraver. It will be completed in the office as early as current work will permit.

Chart of the Amazon River, in 6 sheets, and Chart of the Madeira River, in 5 sheets, from the survey of Commander (now Captain) T. O. Selfridge, U. S. N.

The engraving of these 11 sheets has been finished, and the charts are now on issue.

Chart No. 876, West coast of Mexico, from Chiquepa Point to Ventosa Bay, surveyed by Commander J. W. Philip, U. S. N., has been finished, and is on issue.

The engraving of charts No. 307, *Havana Harbor*, 347 (not 856, as erroneously printed in the previous report), *Jamaica*, 348, *Port Royal and Kingston Harbors* and No. 349, *harbors of Jamaica*, has been finished, and they are now on issue, replacing photolithographs.

Chart No. 456, Gulf of Yedo.—The engraving of this chart has been abandoned for want of funds. As the chart is in demand, the cheaper but unsatisfactory method of photolithography had to be resorted to for its publication.

Of the series of coast charts of the west coast of America, from Cape Horn to Behring's Straits, only one, No. 223, *from Dixon Entrance to Cross Sound*, was heretofore on issue in this office, thus leaving a gap,

from the northern boundary of Mexico to Dixon Entrance. At the date of my last report preparations were in progress for providing the necessary charts of that coast also. Of these, the engraving of Charts No. 900, *West Coast of America, from San Diego to Piedras Blancas*, and No. 901, *from Piedras Blancas to Cape Orford*, has been finished as far as there were final surveys of that portion of the coast.

The charts of the other parts of the coast cannot be completed until the Coast and Geodetic Survey publish the surveys.

The preparation of Chart No. 902, *West Coast of North America (U. S.), from Cape Orford to the Straits of Juan de Fuca*, had to be postponed, as the final survey of that coast is not yet published.

Chart No. 903, *West Coast of North America, from the Strait of Juan de Fuca to Queen Charlotte Islands*, including Vancouver's Island and Puget Sound, has been prepared in manuscript, and is now in the hands of the engraver, as also Chart No. 904, *West Coast of America, from the Queen Charlotte Islands to Dixon Entrance* (British Admiralty).

The preparation of the sheet charts of the coast of Brazil to the northward of St. Joao Island, including also the mouth of the Amazon River, is in progress.

The engraving of the extensive corrections of the Brazil coast charts has not been completed.

CURRENT WORK AND NEW WORK COMPLETED DURING THE YEAR.

In the Drafting and Engraving Division.—More or less extensive corrections from recent surveys and other sources have been made in manuscript on 45 charts, and engraved on the corresponding plates with a few minor exceptions, which have been delayed by more pressing work in the engraving division.

Secondary corrections, such as changes of the positions of isolated islands and dangers, placing of new reported dangers, or the erasure of such as have proved not to exist, changes in buoys or other sea-marks, &c., have been made on 51 plates.

The plate of chart No. 238, *East Coast of North America, from Narragansett Bay to Cape Lookout* (worn out by the many impressions taken from it), has been almost entirely recut.

A plan of *Agua Verde Harbor*, on the western shore of the Gulf of California, from a survey by Commander J. W. Philip, U. S. N., mentioned in my preceding report, has been engraved additionally on plate No. 850, western shore of the Gulf of California, from San Marcial Point to San Basilio Bay.

A special plan of Saint Paul Island, north of Cape Breton Island, from a recent British survey, has been added to plate No. 611.

A plan of Shimidzu Harbor, on the south coast of the island of Nipon, Japan, from a recent Japanese survey, has been added to plate No. 65; and the plan of Sago Bay, from a Russian survey in 1855, has been erased from the same plate, and replaced by one from a recent Japanese survey.

A chart of Honolulu Harbor, from a very complete survey by Lieutenant Jackson, R. N., in 1880, has been engraved to replace one from previous surveys differing in outlines and in the general depth of the water.

Additional soundings, and some corrections reported by Commander J. W. Philip, U. S. N., have been engraved on several charts of the harbors on the west coast of Mexico, surveyed by him, and published by this office in the preceding year.

The following new charts (photolithographs) have been published during the year:

906. Brava Harbor, on the east coast of Africa, to illustrate a hydrographic notice.

A plan of the new docks in Batavia Roads (island of Java) for the same purpose.

906. Wrangel Island, surveyed by the naval party under command of Lieut. R. M. Berry, U. S. N., in the U. S. S. Rodgers.

907. Rodgers Harbor, on Wrangel Island, from the same survey.

908. Track of the U. S. S. Rodgers, north of Wrangel Island, showing soundings in the Arctic Basin.

911^a and 911^b. Circumpolar charts, illustrating the researches in the Arctic region, with track and discoveries of Lieut. Commander G. W. De Long in the *Jeannette*.

912. Arctic Ocean from Wrangel Island to the Mackenzie River. A whaling chart.

Second editions of the following charts were photolithographed, for want of funds to engrave them:

No. 456. Gulf of Yedo.

No. 325. Entrance to the river Tagus and Lisbon Harbor.

No. 401. Coast of Yucatan, from Chineona Bank to the Laguna de Terminos.

No. 739. China Sea, southern portion, eastern shore.

No. 516. Cuba, western portion.

A considerable number of tracings of charts and drawings were made for various purposes and for various branches of the government.

In the Archives Division.—There have been published during the year 115 Notices to Mariners, containing 664 numbered paragraphs, and 84 Hydrographic Notices, containing 963 numbered paragraphs, and issued to the different squadrons, naval stations, and correspondents. Five hundred copies of each of the above notices were printed. Four quarterly statements of notices were published and distributed. Five hundred copies of each statement were printed. United States Light Lists Nos. 1, 1^a, 2, 3, 4, and 5, corrected to date of publication, and 300 copies of each published and distributed. United States Light List No. 6 has been prepared for the printer, and is now ready for publication.

The officers of this Division have been engaged in preparing notices, posting Light Lists and Sailing Directions, correcting standard charts to date, translating and reading proof, rearranging the archives, and comparing and shelving foreign charts.

In the Division of Library and Books.—All books of Sailing Directions published by this office, the Coast Survey, or by foreign Hydrographic Offices for issue to United States vessels, have been kept corrected to the latest dates, using chiefly the information given by the Notices to Mariners and Hydrographic Notices published by this office.

During the year there have been sold to authorized agents 1,033 volumes of Sailing Directions, and in addition 3,342 volumes of various nautical publications have been issued to United States naval vessels, the Coast and Geodetic Survey, Revenue Marine, Libraries and foreign Hydrographic Offices in exchange for their publications.

The following books have been compiled and published during the year:

Supplement to Coast of South America, Part I (bound in Hydrographic Office publication No. 45).

Catalogue of Charts, Plans and Views, with a list of books sold to agents, July, 1881.

The operations of the Chart Division have been as follows:

Charts received: Hydrographic Office Charts from printing room, 7,753; from other sources, 5,991; from Coast and Geodetic Survey, 2,562; from British Admiralty (complimentary), 235; by purchase, 1,207; from Mare Island and vessels, 5,730, many of which, being old and unserviceable, have been destroyed. Total receipts of charts and plans, 23,448.

Charts issued to naval vessels: Hydrographic Office charts, 2,311; British Admiralty charts, 2,077; Coast and Geodetic charts, 1,839. Total issued to United States naval vessels, 6,227.

To Mare Island Depot: Hydrographic Office charts, 354; British Admiralty charts, 522; Coast and Geodetic charts, 197. Total to Mare Island, 1,073.

To Executive Departments of the United States Government: Hydrographic Office charts, 121; British Admiralty, 32. Total to Executive Departments, 153.

To Archives and other divisions of the Hydrographic Office: British Admiralty charts, 361; Coast and Geodetic charts, 7. Total, 368.

To agents for sale of Hydrographic Office publications, 6,607.

To masters of merchant vessels in consideration of keeping meteorological journals, 93.

To foreign correspondents and Hydrographic Offices (complimentary), 742; to home correspondents and agents, 98. Total of charts issued, 15,361.

In the same division, the following work of plate printing was done: Hydrographic Office charts, 7,753; proofs, 297; office compliments, 500; letter paper headed, 4 reams; envelopes, 1,990; diagrams for chronometer rates, 100; thermometer scales, 100; scales for Chart No. 361, 500; forms of clouds, 500; and office seals, 100. Twenty new charts have been published. Five charts have been withdrawn from issue on account of later surveys having been received.

Charts returned from vessels going out of commission have been corrected and placed on the shelves for issue when serviceable.

The charts on hand have been kept corrected to date as far as the interruptions in office force would permit.

In the Meteorological Division the work of reducing and compiling meteorological data obtained from the log books of vessels has been continued. The reductions for a chart of the North Atlantic Ocean are complete, and a chart on the graphic plan will be published during the year. The reductions for the South Atlantic are nearly completed. During the year, 35 blank journals have been issued to masters of merchant vessels; 38 completed journals have been received, of which 84 per cent. are "good," 13 per cent. "fair," and 3 per cent. "bad."

WORK ENTERED UPON AND STILL IN PROGRESS.

The following charts have been prepared and their engraving taken in hand:

A second edition of No. 445, Magellan Strait, Western Part, from Sandy Point to Cape Pillar, to replace the photolithographic edition.

No. 373. Jamaica, with Pedro and Rosalind Banks, and parts of Cuba and San Domingo, also to replace a photolithograph edition.

No. 915. Manzanilla and Santiago Bays, on the West Coast of Mexico, from a survey of Commander J. W. Philip in the U. S. S. Ranger.

No. 916. Ports Casilda and Massio, on the South Coast of Cuba, from recent Spanish surveys.

No. 909. Providence Bay, with Plover Bay and Emma Harbor, south of Behring Strait; and

No. 910. Anadyr Gulf, on the Western Shore of the Behring Sea, both from recent Russian surveys; for whaling vessels.

The Chart of the Harbor of Hong-Kong (engraved on plate 529, Western Part, General Chart, North Pacific Ocean) has been reproduced by electrotyping as a separate plate, on which the approaches from the eastward and the channels leading to the westward into Canton River will be added, which will greatly enhance the usefulness of that chart. These additions are now being prepared in manuscript.

A second edition of Chart No. 517, Cuba, Eastern Portion (photolithograph), is now being printed. It is intended to replace the two photolithographed charts of Cuba, by engraved plates, as soon as the surveys of the island by the Spanish Government have been completed and published.

Second editions of the photolithographed Charts No. 26*b*, Great Bahama Bank, from Exuma to New Providence, and No. 809, Coast of Labrador, from Cape St. Charles to Sandwich Bay, have been prepared and will soon be published.

Sailing Directions for the Baltic Sea, embracing coasts of Russia and Gulf of Finland, are now ready to place in the hands of the printer.

One volume of Dangers in the North Atlantic is also ready for publication.

The increasing demand for accurate hydrographic information calls for a short reference to the work being done in the interests of the world's commerce by all maritime powers, and it emphasizes the obligations which this government is under to contribute its quota of work in a field of operations which is as vast as the oceans of the globe, of equal importance to all commercial powers, and in which our contributions to the general end in view do not compare as favorably as they should with those of other nations.

While we are receiving from foreign Hydrographic Offices a vast amount of information which is distributed by them upon the basis of mutual exchange, the return which we make is far short of what is expected, or which fair reciprocity demands.

In becoming a party to the present system of international exchange of hydrographic work, an obligation was incurred which should be fully and fairly recognized, and which can only be discharged by means of more reasonable appropriations. It is well to observe that the appropriation for the work of this office for the current fiscal year, exclusive of special appropriation for Mexican coast survey, and transferring photolithographs to copper, is fifty thousand dollars less than was allowed for current work in 1874; and that while Congress has cut down the appropriations, the work of the office is steadily expanding, and much valuable information which should be given to the world remains unpublished in our archives.

The labors of foreign Hydrographic Offices are being pushed forward with greater and more persistent energy than ever before. The older surveys of coasts and harbors, with which navigators considered themselves familiar, are undergoing a thorough revision, in which grave errors are developed.

France is perfecting detailed surveys of the French coasts and of the northern coasts of Africa, revising the charts of the Grecian Archipelago, while pushing forward the surveys of the coasts and rivers of Cochin China and the shores of the Gulf of Tonquin, and completing surveys of French possessions in the South Pacific. England is thoroughly

revising the surveys of her coasts and harbors, correcting and completing the surveys of Newfoundland, extending elaborate surveys along the coast of Labrador to Hudson Straits; while the shores of Jamaica have been entirely reproduced and published. Extensive surveys of the east coast of Africa north and south of Zanzibar are also in progress.

British surveying vessels are pushing forward the surveys of the Straits of Magellan, and the inner channels between it and the Pacific Ocean. The surveys of the coasts and waters of Australia are pursued with energy, and are already being extended to the coast of New Guinea, heretofore most imperfectly known, while other British vessels are employed among the South Sea islands, especially the Fiji group.

In Asia, the British Hydrographic Office at Calcutta is revising, correcting, and extending all the former surveys of the British East India possessions. This nation has done, and is doing, more in the direction of developing hydrographic knowledge than all other civilized nations combined. No expense is spared to mark the dangers which beset the path of her navigators and her commerce, or to lighten the ocean highways; unknown coasts are boldly approached, unknown seas entered and made to reveal their dangers and their advantages. Her liberal spirit is a thousand times repaid in the saving of time which is achieved and the safety which is insured to her commerce and her citizens, who, following closely after her explorers and surveyors, seize every opportunity, however slight, to develop and extend the commerce, and open up new markets for British manufactures, which have given England the commercial supremacy of the world.

Portugal is publishing a series of coast and harbor charts from new surveys.

Spain has undertaken a resurvey of her Mediterranean coasts, which has about reached the French boundary, and the charts already published establish grave errors in those heretofore depended upon. An energetic survey of the entire Philippine group is being made, and charts of Cuba are being thoroughly revised.

Italy is busy with a resurvey of her coasts and adjacent waters.

Germany is making a survey of all its shores, and the hitherto dangerous navigation of the Baltic will be made more safe, as new charts are rapidly published.

Netherland surveying vessels are engaged in active surveys of their possessions in the East Indian Archipelago.

Chili is displaying great activity on the coasts of Chili, Peru, and Bolivia, while Japan, with admirable energy and devotion to modern progress, has established a national Hydrographic Office and undertaken thorough surveys of all her shores and her innumerable harbors, furnishing in rapid succession engraved charts, which compare most favorably with the issues of older hydrographic institutions. That energetic people is even already pushing its surveys into the waters of Corea, of which but little is now known, and which seems destined to become of commercial importance in the near future.

These hydrographic labors, developing great changes and new dangers, necessarily entail upon this office constantly increasing work in correcting chart plates, sailing directions, and light lists of all parts of the world; and in order to keep up with the numerous corrections, discoveries, and changes constantly reported, the small force of draftsmen and engravers at our disposition is taxed to their utmost capacity, to such an extent, in fact, that the publication of some of our general ocean charts have been necessarily delayed, although taken in hand over two years ago.

SURVEYS AND HYDROGRAPHIC EXAMINATIONS BY UNITED STATES
NAVAL VESSELS DURING THE FISCAL YEAR.

The highest credit is due to the officers of the Arctic Expedition in the steamer *Jeannette*, Lieutenant-Commander Geo. W. De Long, and to the officers of the purchased steamer *Rodgers*, Lieut. R. M. Berry, commanding, for the work done, and the geographical discoveries made by them and the officers under their command, in the Siberian Arctic. Their hazardous mission was pursued fearlessly, and with great zeal and energy. Although the results achieved are not commensurate with the hardships and loss of life endured by these bold workers in the cause of scientific discovery, yet are they nevertheless very important. The islands discovered by Lieutenant Commander De Long to the northward and eastward of the new Siberian group, and named by him, respectively, "*Jeannette*," "*Henrietta*," and "*Bennett*" Islands, may be considered an extension of that group, and have been entered upon our charts, under the collective name of "*De Long Islands*," as a lasting testimonial in the regions of eternal ice to the intrepidity of the commander of the *Jeannette*, who with indomitable energy reached a higher latitude than any heretofore attained in the Siberian Arctic, and gave his life to the cause of scientific research, while inscribing his name for ages where few may hope to follow.

Wrangel Land, first vaguely reported by Admiral Wrangel of the Russian navy, afterwards believed to have been seen much farther north by the late Admiral Kellett of the English navy, and closely approached by two American whalers in 1867, was generally supposed to be the southern extremity of an archipelago or mainland extending to the Pole, and possibly connecting with Greenland; it was even so represented by Dr. Petermann on some charts published in his justly celebrated work the "*Mittheilungen*." These theories have been entirely disproved by Lieutenant Berry, of the *Rodgers*, who found Wrangel Land to be an isolated island of about 70 miles in its greatest dimensions. An excellent running survey of its shores and shoals was obtained by his boats, which almost entirely circumnavigated the island and defined its limits. After penetrating into the ice 180 miles north of the island, the remarkable fact was observed that the water constantly deepened as the latitude increased. From the preliminary data obtained, charts No. 906, 907, and 908 were prepared, and have been distributed to all foreign Hydrographic Offices.

The prosecution of the survey of the west coast of Mexico by Commander Philip in the U. S. S. *Ranger*, although delayed by a peculiarly unfavorable season, was continued by that officer with his usual energy and faithfulness. During that portion of the year when operations on a tropical coast were necessarily suspended, the work of plotting and preparing smooth charts was prosecuted with good results at San Francisco. A portion of the season was devoted to an unsuccessful search for the Reed rocks, which have been reported on several occasions as existing about 700 miles west of San Francisco. Although they were not found by the *Ranger*, the weight of testimony as to their existence is great enough to justify a further and more exhaustive search, when a vessel properly equipped can be spared for that service. It is quite possible that they may have disappeared in some of the great disturbances which are known to affect the bed of the Pacific Ocean, but, until that fact is demonstrated by further search, their appearance on the charts is a serious embarrassment to navigators, entailing anxiety and loss of time.

The survey of the west coast of Mexico has been completed with the exception of the section between Ventosa Point and the Ocos River. When this gap shall be filled during the earlier part of the coming season, the extension of the survey over the coasts of Costa Rica and Nicaragua, from the Gulf of Fonseca to the Gulf of Dulce, will be commenced, in accordance with the wishes of the Bureau.

The result of last season's work on the west coast is comprised in special charts of Manzanilla and Santiago Bays, Chamala or Perula Bay, Tenacatita and Navidad Bays, and of the port of Altata, in the Gulf of California. This port is the western terminus of one of the principal railroads through the province of Sinaloa, and will eventually become an important shipping port for the rich mineral district through which the road is being constructed. When the Philip survey is complete, American charts from Panama to Behring's Straits will be the latest and most reliable guides published for the use of navigators.

The very important survey during the past winter of the Bay of Samana, done under the direction of the Bureau of Navigation by Commander Bridgeman in the U. S. S. *Despatch*, has been most admirably executed by that officer, and the skilled corps of naval officers under his command. The work, which proved very arduous, has been thoroughly executed, and reflects great credit upon the officers who performed it, and the results received are not surpassed in excellence by any previous surveys received by this office. The survey embraced the entire Bay of Samana, including the Yuna and Barracouta Rivers as far as navigable. But little was known of this magnificent bay previous to Commander Bridgeman's survey, in which its marvelous resources and capacity have been developed.

The energy and zeal of the officers of the *Despatch* may be appreciated when it is remembered that the work was completed in less than eighty working days, during which 15,655 angles were measured, 57,877 soundings obtained on lines run by the vessel and its boats, and that those lines aggregated 2,603 miles. These details are alluded to in order to show what results can be obtained by an energetic and intelligent working party carefully equipped with all modern facilities for marine surveying. The working force of this party was more than quadrupled by being furnished with steam launches, which never tire under the direction of industrious and energetic officers.

The publication of a chart of the entire bay, with special charts of the harbors of Santa Barbara and San Lorenzo, will be pushed forward as fast as the current work of the office will permit.

The U. S. S. *Alert*, Commander C. L. Huntington, completed the examination of the islands and reefs southward of the Gulf of Yedo to the Marianne group, and to the westward of the latter, disproving the existence of a number of reefs by soundings with the deep-sea apparatus over and in the vicinity of the reported positions. The same officer gave information regarding anchorages on the coast of China. Commander Louis Kempff, his successor in command of the *Alert*, transmitted a description and tracings of the new dock in Batavia Roads, Java, which were published by this office.

Commander G. H. Wadleigh, of the U. S. S. *Alliance*, while in search of tidings from the *Jeannette*, between Greenland and Spitzbergen, collected important data regarding the coasts of Iceland and the waters in the vicinity. His meteorological and current observations during the cruise are of special value.

The U. S. S. *Shenandoah*, Capt. W. A. Kirkland, made an unsuccessful

ful search for the Madeiro Rock, off the coast of Brazil, verified the extent of the La Plata Basin, and gave other hydrographic information.

The U. S. S. *Vandalia*, Capt. R. W. Meade, furnished a plan showing the depth of water at and off the docks at Aspinwall, also a survey of Beca del Toro by Lieut. H. Perkins and Ensign L. Flynn. From the carefully kept journal of the commander, copious notes were derived regarding the Bermudas and various harbors in the West Indies and on the North Atlantic coast.

The U. S. S. *Quinnebaug*, Commander N. H. Farquhar, furnished hydrographic information regarding a number of ports in the eastern part of the Mediterranean.

The U. S. S. *Galea*, Commander O. A. Batcheller, reported hydrographic data regarding the ports of Alexandria and Gibraltar, as also for the west coast of Morocco.

The U. S. S. *Essex*, Commander A. H. McCormick, reported errors in the sailing directions for the west coast of Africa.

The U. S. S. *Trenton*, Capt. F. M. Ramsay, reported an error in the longitude of the Balearic Islands, and other hydrographic information.

The U. S. S. *Marion*, Commander S. W. Terry, furnished a chart and views of Heard and Macdonald Islands in the Indian Ocean.

The U. S. S. *Kearsarge*, Commander G. B. White, reported concerning the buoys in the entrance of Kingston Harbor, Jamaica, as also the water in the South Pass of the Mississippi.

The U. S. S. *Yantic*, Commander E. T. Woodward, gave information regarding wrecks on the Tuxpan Reef, east coast of Mexico, the light at Tampico, and the channels leading to Aux Cayes, Hayti.

The U. S. S. *Brooklyn*, Capt. A. W. Weaver, forwarded information regarding obstructions in the harbor of Montevideo, and buoys in Magellan's Straits.

The U. S. S. *Adams*, Commander E. C. Merriman, reported regarding a wreck in Panama Roads.

Rear-Admiral J. H. Spotts, of the South Atlantic squadron, transmitted valuable information regarding the La Plata Bank; and Rear-Admiral J. M. B. Clitz, commanding the Asiatic Station, transmitted tracings of a recent British survey in the vicinity of Okosiri Island, Japan.

The Superintendent of the United States Coast and Geodetic Survey has given very valuable assistance to this office by furnishing advance sheets of several unpublished surveys on our western coast, with other hydrographic information. The office is specially indebted to him for the electrotyping of a number of plates.

Important hydrographic information from Mr. W. P. Pierce, United States consul at Cienfuegos; Mr. E. W. P. Smith, United States consul at Carthagena, Colombia; Mr. E. H. Plumacher, United States consul at Maracaibo, and Mr. William Morey, United States consul at Colombo, Ceylon, was transmitted from the Department of State to the Navy Department, and referred to this office.

This office is also indebted to the board of underwriters of New York for information regarding the bar of the Rio Grande at our boundary line with Mexico.

Of late years, much interest has been manifested by the Geographical Institutions of Europe, and by private individuals, in perfecting a method by which drawings, charts, maps, &c., could be transferred to copper and printed as from engraved plates. The Topographical Bureau of the Austrian army has succeeded in producing by this method, known as Heliography or Photogravure, a series of military topograph-

ical charts of the Austrian Empire, comparing well with engraved charts, but hardly of sufficient size for nautical charts.

Recently, however, private enterprise in this country has become interested in the subject, and satisfactory specimens of this method have been received. This process promises such important and economical results, combined with the ability to make necessary corrections and additions on the plates, that it has been considered advisable to encourage the development of the process to the fullest extent, and, with this end in view, Charts No. 913, Port Henry, in Magellan Straits, and No. 914, South Coast of England, which are needed for issue, have been prepared for republication, and placed in the hands of the operators.

The results of the final experiments are awaited with interest, and such confidence in its success that the publication of a second edition of Chart 809, Coast of Labrador, is held in abeyance until the two other plates referred to are received. Should the degree of success equal our apparently just expectations, this office will enter upon a new era in chart production, as charts by this process can be ready for printing in one-fourth the time required for engraving the ordinary plate.

RECOMMENDATIONS.

In my last report I urged the importance of a survey of the Caroline and Marshall groups in the North Pacific Ocean, and a revision of the imperfect surveys of the so-called Spanish Main, and of the coasts of South America, eastward of Trinidad to the mouth of the Amazon.

I can only renew my solicitations for the detail of vessels fitted out for this work, and reiterate my statements of the importance to commerce of correct charts for navigating these waters.

In the Caroline and Marshall group, as well as throughout the Pacific Ocean, there are many entirely unsurveyed dangers which greatly impede navigation.

The searches for reported submerged reefs were heretofore very difficult. Late improvements in deep-sea sounding apparatus facilitate them greatly, and thorough examination of the localities reported as unsafe is again urged upon the attention of the Bureau.

The Government of the Sandwich Islands has almost completed a geodetical survey of the group, but is hardly prepared to perform the hydrographic part of it. A chart of a portion of Oahu, now on issue by this office, does not show a single sounding on the eastern and north-eastern coasts.

Our relations with the Sandwich Islands are such that we are almost called upon for aid in these important labors; and I recommend that the necessary soundings be taken north of the islands, in order that the character of the approaches may be plotted.

* * * * *

Very respectfully, your obedient servant,

J. C. P. DEKRAFFT,

Commodore, U. S. N., Hydrographer.

Commodore J. G. WALKER, U. S. N.,

Chief of the Bureau of Navigation.

REPORT OF THE CHIEF SIGNAL OFFICER.

NAVY DEPARTMENT, BUREAU OF NAVIGATION,

SIGNAL OFFICE,

Washington, D. C., November 15, 1882.

SIR: In compliance with your order of the 21st ultimo, the following report of the operations of the Signal Office for the past year is respectfully submitted:

Letters from the Army Signal Office, asking for information and requesting co-operation, have been referred to this office, the replies to which have been transmitted to the Bureau.

Capt. James H. Gillis, U. S. N., submitted a plan for night signaling, devised by himself, which was carefully considered in this office, and the report submitted to the Bureau April 8.

Experiments have been made on board of nine naval vessels to determine the relative merits of Very's and Coston's night signals, and the result, deduced from the experiments, was submitted to you on June 30.

Experiments were made to determine the relative merits of the Winchester and Ely cartridges, for use with the Very night signals, and the report submitted August 18.

A telegraphic code for sending or transmitting cable messages by substituting a word for a sentence, has been prepared, and was submitted to the Bureau on the 12th of August.

The quarterly reports of instruction in signaling, received from vessels in commission in the early part of the year, indicated in many instances that the practice of signaling had been neglected.

It is very desirable that the instruction should be continued, and the quarterly reports should show that not only the signal officer, but that *all* the watch and division officers do give practical instruction to the quartermasters, coxswains, apprentices, and young blue-jackets, not exclusively in Myers' code, but in the naval day and night codes, in the rules of the road, and the significations of buoys, beacons, and channel marks.

The meteorological bulletins received from many of the vessels show a great want of care in recording, and are frequently returned to the ships for revision and correction. They are not forwarded to the Army Signal Office until this office is satisfied of their correctness.

I take this occasion to renew my verbal request that all material and matter relating in any way to signaling be submitted to this office to be noticed and considered, in order that the Chief Signal Officer may be able to keep a connected and reliable record of all subjects pertaining to signals and signaling.

Very respectfully, your obedient servant,

P. C. JOHNSON,

Captain, and Chief Signal Officer, U. S. N.

Capt. JNO. G. WALKER, U. S. N.,

Chief of Bureau of Navigation, &c.,

Navy Department, Washington, D. C.

REPORT OF THE SUPERINTENDENT OF THE NAUTICAL ALMANAC.

NAUTICAL ALMANAC OFFICE,
BUREAU OF NAVIGATION,
Washington, D. C., September 16, 1882.

SIR: I have the honor to submit the following report of the operations of this office during the past year:

The American Nautical Almanac for the year 1885 was issued from the press in January last, and the large Ephemeris in July.

A supplement to the volumes for 1881-'84 has also been prepared, and is now in press. It comprises ephemerides of the apparent right ascensions of 175 stars additional to the regular list of the Ephemeris, and is intended for the use of field observers engaged on the public surveys, who have long felt the want of it.

Of the Almanac and Ephemeris for 1886, 290 pages are now in type. The printing, which four years ago was more than six months in arrears, is now fully brought up to date.

During the fiscal year ending June 30, 1882, 269 copies of the large Ephemeris were sold, and 643 were distributed for the public service and for scientific and educational purposes. Of the Navigator's Almanac, 2,459 copies were sold. The number sold at each agency is as follows:

Boston	380
New York	1,040
Philadelphia	490
Baltimore	41
Charleston	24
New Orleans	49
San Francisco	355
Portland, Oreg	80
	<hr/> 2,459

The computations on the Ephemeris for 1886 are nearly completed, with the exception of the fixed stars and the occultations. The computations for 1887 are in full progress, and those for 1888 are being commenced. Certain portions of the work relating to the sun and moon have to be commenced far in advance in order to be available for subsequent computations; and the time to be allowed for this purpose is increased by the fact that the computations are performed by gentlemen residing at a distance from the office. No actual loss is, however, experienced from this cause, and the only inconvenience is the amount of correspondence which the management of the work entails upon the office.

The future policy of the office will probably be to concentrate the work in Washington, but the work of training a new hand into the regular and exact performance of a job of this kind is so troublesome that no change of system is advisable, except as the older hands retire.

ASTRONOMICAL RESEARCHES.

The increased force at the disposal of the office has enabled it to push forward the labor of investigating the planetary motions anew from the most modern data.

The following are the principal works on which progress has been made during the year:

Jupiter and Saturn.—Mr. Hill's work on the perturbations of these two planets by all the others has been continued by him with his usual assiduity during the entire year.

Transits of Mercury.—The discussion of all observed transits of Mercury from 1677 to 1881 has been concluded, and the last sheets are now in press. The discussion forms the concluding part of Vol. I of the *Astronomical Researches of the American Ephemeris*.

Theory of Mercury.—In order to work up the different planets systematically, the inner one, Mercury, was first commenced. The manuscript tables mentioned in my last annual report have been used to compare with meridian observations since 1750, and the computation of the coefficients for the elements has been commenced.

Reduction of Greenwich observations.—A very necessary part of the planetary work is the determination of the corrections to the older Greenwich observations in order to make them correspond to the most modern data. This work has been intrusted to Prof. T. H. Safford, of Williams College, whose minute acquaintance with the older instruments and methods of astronomy, especially those employed at the Greenwich Observatory, eminently qualifies him for such investigations. He reports his work as complete and nearly ready for the press, and it is intended to publish it as a part of Vol. II of the *Astronomical Papers*.

Reduction of occultations.—Little progress has been made during the last year in the reduction of occultations since 1750. Everything is, however, now ready to push it vigorously forward.

Development of R.—A new development of the perturbative function adapted to the practical work of determining the inequalities of the planetary motions has been effected and is now ready for press.

Velocity of light.—The great delay in securing an appropriation for completing the measures of the velocity of light has interfered with the progress of that work. It has, however, been continued since the new appropriation became available, and the experiments are regarded as complete. Attention has been directed especially to the discovery of any possible systematic error in the working of the apparatus. There has been some reason to fear such an error arising from torsional vibration of the revolving steel mirror, and an arrangement was made in such a way as to eliminate this error should it exist. The latest experiments seem to indicate that, if it exists at all, it is extremely minute, and that a result for this most important physical and astronomical constant will be obtained which will command general confidence.

The result of the present experiments being appreciably different from those obtained by Master A. A. Michelson, at the Naval Academy, I made application to the board of direction of the Bache fund for a grant to enable Mr. Michelson to repeat his determination at the Case Institute, in Cleveland. His measures are now in progress, but are officially independent of the work of this office in the same direction.

Very respectfully, your obedient servant,

SIMON NEWCOMB,

Superintendent Nautical Almanac.

Commodore J. G. WALKER, U. S. N.,

Chief of Bureau of Navigation, Navy Department.

* * * * *

REPORT OF THE CHIEF OF THE BUREAU OF STEAM ENGINEERING.

NAVY DEPARTMENT,
BUREAU OF STEAM ENGINEERING,
Washington, November 15, 1882.

SIR: In obedience to your order, I have the honor to submit to the department the annual report of this Bureau for the past year, together with estimates for fiscal year 1883-'84.

Amount appropriated for fiscal year 1881-'82, act approved February 23, 1881	\$875,000
Amount appropriated to supply deficiencies for fiscal year 1881-'82, act approved August 5, 1882	212,000
Total	1,087,000

EXPENDED.

For labor in navy-yards and stations in constructing new engines, boilers, and their dependencies, repairing old boilers, machinery, &c., and fitting vessels for sea-service, preservation of tools, handling and preservation of materials and stores	495,367 80
The purchase of materials, stores, machine-tools, freights, and incidental expenses	513,643 80
For payment on foreign stations for repairs, materials, &c.	39,986 89
Total	1,048,998 49
Less repayment by transfers in adjustment of appropriations	745 74
Total expenditures	1,048,252 75
Balance on hand	38,747 25

This balance of \$38,747.25, however, is covered by obligations of the Bureau for purchases, &c., at home and abroad, the vouchers for which have not yet been received or the accounts not yet settled.

There yet remains to be paid from the deficiency appropriation, act approved June 14, 1878, for work not yet completed, the following sums, viz:

To Harlan & Hollingsworth Company	\$12,831 68
To William Cramp & Sons	22,850 60
Total	35,731 68

THE GENERAL OPERATIONS OF THE BUREAU.

The following will exhibit the character and cost for labor and material of the work done under cognizance of this Bureau for the fiscal year ending June 30, 1882, upon the machinery, boilers, &c., of naval vessels, and the expenditures for maintenance, &c., at the several navy-yards and stations:

Name of vessel.	Rate.	Horses, boilers, and machinery.	Stores and outfit.	Total.	Remarks.
Alaska	2d	8,967 34	81,822 46	82,180 80	In service; slight repairs made.
Adams	3d	9,995 81	1,693 88	11,629 69	In service; machinery repaired.
Alliance	3d	2,986 61	2,331 24	5,317 85	In service; slight repairs made.
Ashuelot	3d	967 25	595 27	972 52	Do.
Alert	3d	1,367 81	1,366 95	2,874 76	At Mare Island; requires repair.
Alarm	Torpedo ram	4,172 48	2,793 18	6,966 66	At Norfolk; sundry repairs made.
Ajax	Iron-clad	1,929 38	1,059 98	1,059 98	Being preserved.
Brooklyn	2d	9,749 29	11,267 17	21,036 46	In service; thorough repairs completed at the New York yard.
Colorado	1st	14 63	784 72	799 35	Receiving-ship at New York; slight repairs made.
Congress	2d	286 82		286 82	Preserving machinery at Portsmouth, N. H.
Canandaigua	2d	47 94		47 94	Preserving machinery at Norfolk, Va.
Constitution	Wood; 3d	119 18		119 18	Repairs to launch.
Canonius	Iron-clad	1,132 97		1,132 97	Sundry repairs made.
Constellation	Wood; 3d	8 00		8 00	Slight repairs to launch.
Catalpa	Tug	848 62	124 53	972 55	In service; sundry repairs made.
Colbasset	Tug	712 94	85 09	798 03	Do.
Despatch	4th	513 34	1,182 42	1,695 76	Do.
Dictator	Iron-clad	325 32		325 32	Preserving machinery.
Essex	3d	19,556 49	7,688 40	27,224 89	In service; machinery repaired at League Island; new boilers being built at New York.
Enterprise	3d	65,788 07	7,059 69	72,847 76	In service; thoroughly repaired at Washington with new boilers.
Emerald	Tug	479 39		479 39	In service; sundry repairs made.
Franklin	1st	795 79	1,612 74	2,438 53	Receiving-ship at Norfolk; sundry repairs made.
Frolic	4th	46 59		46 59	Preserving machinery at Washington.
Fortune	Tug	3,048 84	829 09	3,877 93	Being thoroughly repaired, with new boilers.
Galea	3d	506 64	2,971 22	3,477 26	In service; slight repairs made.
Hartford	2d	26,289 79	108 94	26,427 83	In service; thoroughly repaired, with new boilers, at Boston.
Iroquois	3d	65,769 61	3,911 91	89,642 32	In service; thoroughly repaired, with new boilers, at Mare Island.
Intrepid	Torpedo ram		69 29	69 29	Stores furnished.
Iowa	1st	38 89		38 89	Preserving material.
Jamestown	2d	491 59		491 59	Slight repairs to launch.
Juniata	3d	34,969 00		34,969 00	Thorough repairs made, with new boilers, nearly completed, at New York.
Jason	Iron-clad	260 26		260 26	Preserving machinery.
Javelin	Launch	45 89		45 89	Sundry repairs made.
Jean Sands	Tug	1,427 39		1,427 39	Machinery, boilers, &c., repaired at Norfolk.
Kearsarge	3d	1,129 01	2,253 46	3,393 09	In service; sundry repairs made.
Kansas	3d	275 32		275 32	Preserving machinery.
Lancaster	3d	33,828 80	14,973 08	49,196 88	In service; thorough repairs, with new boilers, completed at Portsmouth, N. H.
Lackawanna	2d	2,370 87	3,048 77	5,419 64	In service; sundry repairs made.
Lehigh	Iron-clad		31 21	31 21	Preserving machinery.
Lexden	Tug	199 85	141 00	256 85	Slight repairs made.
Lexington	3d	195 75	1,284 30	1,380 25	Do.
Monocacy	3d	349 31	1,277 66	1,617 97	In service; slight repairs made.
Michigan	4th	80 48	19 36	100 84	Do.
Minnesota	1st	1,003 49		1,003 49	Slight repairs made.
Manhattan	Iron-clad		41 79	41 79	Preserving machinery.
Montauk	Iron-clad		126 46	126 46	In service.
Montanmoh	Iron-clad	1,184 08		1,184 08	Preserving machinery.
Maxtlower	Tug	1,560 67	3,763 37	5,325 04	Sundry repairs made.
Montev	Tug	599 47		599 47	Do.
Nipsic	3d	897 39	2,493 71	3,329 33	In service; slight repairs made.
Nahant	Iron-clad	97 99	31 97	139 96	Preserving machinery.
New Hampshire	2d	55 47	1,843 11	1,898 58	Stores, &c., for launch, and heating.
Omaha	2d	10,700 14		10,700 14	Repairs to machinery under way at Portsmouth, N. H.
Ossipee	3d	12,647 25		12,647 25	Under repair at League Island.
Powhatan	2d	1,001 34		1,001 34	In service; sundry repairs made.
Pensacola	2d	2,771 47	2,766 44	5,537 91	Do.
Palos	4th	140 88	244 00	384 88	Do.
Plymouth	2d	1,800 39		1,800 39	Preserving machinery at Portsmouth, N. H.

Name of vessel.	Rate.	Engines, boilers, and machinery.	Stores and outfit.	Total.	Remarks.
Passaic	Iron-clad		\$377 07	\$377 07	In service; stores.
Phlox	Tug	\$829 17		829 17	Slight repairs made.
Pilgrim	Tug	166 12	200 64	366 76	Do.
Pinta	Tug	22, 100 42		22, 100 42	Being thoroughly repaired, with new boilers, at Norfolk.
Quinnebang	3d	549 34	6, 648 06	7, 197 40	In service; slight repairs made.
Richmond	2d	72 73	3, 069 27	3, 142 00	Do.
Ranger	3d	966 81	2, 476 31	3, 383 22	Do.
Rescue	Tug	2, 146 53	62 57	2, 209 10	Being repaired, with new boilers, at Washington.
Rocket	Tug	8 38		8 38	Slight repairs made.
Rose	Tug	20 25	285 07	305 32	Do.
Shenandoah	2d	682 97	3, 577 02	4, 259 99	Being repaired at Boston.
Swatara	3d	224 62	484 13	708 75	In service; slight repairs made.
Shawmut	3d	182 50		182 50	Preserving machinery.
Seaweed	Tug	306 21		306 21	Sundry repairs made.
Snowdrop	Tug	6, 798 42	417 55	7, 215 97	In service; repaired, with new boilers, at Norfolk.
Speedwell	Tug	1, 546 73	389 11	1, 935 84	Repaired with new propeller.
Standish	Tug	2, 051 23	5, 054 81	7, 076 34	Sundry repairs made.
Tennessee	1st	4, 658 40	4, 160 10	8, 818 50	In service; machinery, &c., repaired.
Trenton	2d	6, 250 29	24 52	6, 274 81	In service; thorough repairs under way at New York.
Ticonderoga	2d	102 52	23 33	125 85	Slight repairs made.
Tuscarora	3d	2, 498 09		2, 498 09	Work on new boilers at Mare Island.
Tallapoosa	4th	14, 760 37	2, 016 01	16, 776 38	In service; thorough repairs, with new boilers, completed at Washington.
Triana	Tug	1, 127 80	177 41	1, 305 21	Repaired at New York.
Vandalia	2d	309 02	2, 739 54	3, 048 56	In service; sundry repairs made.
Wachusett	3d	312 37	2, 954 31	3, 266 68	In service; slight repairs made.
Wyoming	3d	404 06	49 82	453 88	Sundry repairs made.
Wabash	1st		679 32	679 32	Stores furnished.
Worcester	2d	195 52		195 52	Preserving machinery.
Wyandotte	Iron-clad		386 03	386 03	Stores furnished.
Yantic	3d	180 84	1, 501 59	1, 682 43	In service; slight repairs made.
Totals		428, 377 72	126, 092 83	554, 470 55	

Expenditures at navy-yards and stations not included in amount expended on naval vessels.

Navy-yard.	Yard expenses.	Miscellaneous.	Total.
Portsmouth, N. H.	\$19, 766 29	\$3, 004 83	\$22, 770 62
Boston, Mass.	35, 040 15	233 09	35, 273 24
Brooklyn, N. Y.	45, 393 47	23, 274 33	68, 667 80
League Island, Pa.	20, 028 28	8, 913 93	28, 942 21
Washington, D. C.	32, 267 79	18, 794 20	51, 061 99
Norfolk, Va.	35, 120 82		35, 120 82
Pensacola, Fla.	12, 766 37	996 75	13, 763 12
Mare Island, Cal.	60, 916 42	1, 823 00	62, 739 42
New London, Conn.	1, 594 56		1, 594 56
Key West, Fla.	3, 290 80		3, 290 80
Totals	204, 184 95	67, 039 63	321, 224 58

NAVY-YARDS.

The departments under cognizance of this Bureau at the several navy-yards, under their present organization and equipment are in good working condition, and will be further improved for cheap and rapid construction of boilers when the few machine-tools lately purchased for Washington, Norfolk, and Mare Island navy-yards are erected in the shops of said yards.

In this connection I beg to urge that the amount called for in the

estimates for civil establishment herewith may be allowed, thus giving the Bureau two clerks at each navy-yard.

With the present amount but one can be paid from this appropriation for each yard, which is insufficient to properly keep up the records, reports, &c., of this Bureau at the yards, and in case of sickness serious embarrassments must arise.

WORK REQUIRED.

The following will show the work required to be done to engines, &c., of naval steamers to fit them for efficient sea-service, all of which is subject to reports from boards appointed in accordance with law.

Adams (3d rate).—Should have new boilers, for which the material is on hand at Mare Island.

Alliance (3d rate).—Requires some overhauling and repair and new boilers constructed, for which material is on hand at Norfolk.

Ashuelot (3d rate).—Should have thorough overhauling and repair.

Alert (3d rate).—Make thorough repairs of machinery and put in new boilers.

Amphitrite (iron-clad, 3d rate).—Requires new machinery; completion and putting on board of new boilers.

Ajac (iron-clad, 4th rate).—Engines require repairs and new boilers.

Alarm (torpedo-ram).—Requires to have steering-propeller arrangements overhauled and repaired.

Benicia (2d rate).—Engines require repairs; new boilers to be constructed and put in, for which material is on hand at Mare Island.

Blue Light (tug).—Requires extensive repairs.

Colorado (1st rate).—Requires new boilers, and crank shaft (on hand) to be put in, and machinery thoroughly overhauled and repaired.

Canonicus (iron-clad, 4th rate).—Requires repair and new boilers.

Catalpa (tug).—Requires overhauling and repair.

Dictator (iron-clad, 3d rate).—Engines require repair and new boilers constructed and put in.

Essex (3d rate).—New boiler to be completed at New York yard (material on hand) and put in vessel.

Franklin (1st rate).—Requires new boilers (now on hand) to be put in, and machinery thoroughly overhauled and repaired.

Proie (4th rate).—Requires thorough overhauling and repair.

Fortune (tug).—Complete repairs to engines and put in new boilers.

Glance (tug).—Requires repair and new boilers.

Lackawanna (2d rate).—Will shortly require general overhauling and repair.

Minnesota (1st rate).—Machinery requires repair and new boilers.

Monongahela (2d rate).—Requires repair to machinery, and new boilers, material for which is on hand at Mare Island.

Marion (2d rate).—Should have new boilers constructed and put in (material on hand at Washington).

Mohican (3d rate).—Work should be continued to completion on new compound engines, &c.

Monocacy (3d rate).—Will shortly require general overhauling and repair.

Monadnock (iron-clad, 3d rate).—Requires new machinery and new boilers (on hand) put in.

Michigan (4th rate).—Requires repair and new boilers.

Mahopae (iron-clad, 4th rate).—Engines require repair, and new boilers constructed and put in.

Manhattan (iron-clad, 4th rate).—Engines require repair, and new boilers constructed and put in.

Mayflower (tug).—Requires some repairs.

New York (1st rate).—New machinery ready for erection on board the vessel; new boilers to be completed; material on hand.

Omaha (2d rate).—Machinery requires thorough overhauling and repair and new boilers (on hand) put in.

Ossipee (3d rate).—Machinery requires thorough overhauling and repair, new boilers (material on hand) constructed and put in.

Powhatan (2d rate).—Machinery requires overhauling and repair; new boilers to be constructed and put in; material on hand at New York.

Plymouth (2d rate).—Requires overhauling, and repair of engines and boilers.

Puritan (iron-clad, 3d rate).—Requires new machinery; new boilers to be completed and put in.

Rocket (tug).—Requires thorough overhauling and repair.

Shenandoah (2d rate).—Requires thorough overhauling and repair.

Saugus (iron-clad, 4th rate).—Requires overhauling and repair and new boilers.

Seaweed (tug).—Requires general repair.

Tennessee (1st rate).—Will shortly require general overhauling and repair.

Ticonderoga (2d rate).—Requires thorough overhauling and repair of machinery; new boilers (material on hand) to be constructed and put in.

Trenton (2d rate).—Requires completion of overhauling and repair, now under way at New York.

Tuscarora (3d rate).—Thoroughly overhauling and repairing of machinery; new boilers (material on hand) completed and put in.

Terror (iron-clad, 3d rate).—Requires new machinery, &c.; new boilers to be completed and put in.

Vandalia (2d rate).—New boilers to be constructed and put in (material on hand) at Norfolk yard.

Wabash (1st rate).—Requires machinery to be thoroughly overhauled and repaired; new boilers (on hand) put in.

Wachusett (3d rate).—Requires general overhauling and repair.

Wyoming (3d rate).—Machinery requires extensive overhauling and repair, and new boilers to be constructed and put in.

PERSONNEL OF THE ENGINEER CORPS.

The act of Congress approved March 3, 1871, making appropriations for the year ending June 30, 1872, provided, in addition to a certain number of chief engineers, one hundred first assistant engineers and one hundred second assistant engineers.

The act of Congress approved June 22, 1874, for the better government of the Navy, provided that thereafter the number of cadet engineers appointed annually should not exceed twenty-five.

To train these young men in the theoretical as well as practical part of their profession, the government expended large sums of money in establishing a suitable building, with lecture rooms, draughting rooms, and shops abundantly supplied with tools, &c., with their conveniences, and a corps of professors in engineering and its collateral scientific branches, selected from the engineers of the Navy; so that the Naval Academy at Annapolis became one of the best schools for instruction in engineering extant.

The candidates for admission were selected by competitive examination, and, as a rule young men who had made special preparation at our colleges and schools of technology, as well as other schools, were admitted, and from these (after graduation) the vacancies in the various grades of assistant engineers were to be filled.

The value of this school as an institution of learning for naval engineers will be understood from the fact that annually there were from two to five star men in the graduating classes, *i. e.*, men whose high class standing, &c., entitled them to that distinction; and subsequent experience on board ships and as assistant professors at the Academy has shown them to be fully capable of performing all the responsible duties assigned them in a most satisfactory manner, and fully illustrates the wisdom of the course at the Naval Academy in the past.

To bring these young men up to the standard referred to above required four years of constant and unremitting study and application at the Academy; in addition to this, the summer cruising allowed no idle time; every hour had its work, which could not be postponed without loss, and finally, after graduation, a two years' cruise, and then an examination for promotion to the grade of assistant engineer.

The same close application and hard study is exacted from the cadet midshipmen, the only difference being in the course of study required from each and the period of graduation from the Academy; that of the cadet engineers being at the end of four years and two additional years at sea, while that of cadet midshipmen is at the end of six years.

Bearing upon the point I have in view, I beg to quote from the reports of the Boards of Naval Visitors to the Academy as follows:

In 1877 the Board of Visitors reported as follows:

Owing to the great advance in and growing importance of the science of steam engineering and naval architecture, the board are of the opinion that an advanced course of instruction, both theoretical and practical, is desirable for cadet engineers.

After a most careful investigation into the present admirable course on these subjects, instituted by the Superintendent, we are forced to the conclusion that it would be impossible to add any more to the same without detriment to the other branches necessarily required in the time given for instruction at the Academy. * * *

We would also recommend that a post-graduate course should be given to the midshipmen and cadet engineers, not specified above, which should be one that the duties and distractions incident to a life on board ship shall not prevent the cadet complying fully with all of its requirements.

It will be observed, from what has been stated as to the time required to prepare the cadets at the Academy for future usefulness in the Navy, that every hour had to be utilized, and, with all their advantages and labor, not a year passes without some of the students being put back or requiring a second examination before getting their diplomas.

The Board of Visitors just quoted were impressed with the fact that the period for work at the Academy was too short, in view of what had to be accomplished; and yet, by a recent regulation of the authorities at the Academy, the young men are expected to acquire all the knowledge necessary to constitute them thorough deck as well as engineer officers in the time usually allotted to each of the two branches separately, *i. e.*, four years; and already, if I am correctly informed, some of the first-class cadet engineers, who in the ordinary course graduate next June as engineers, are stationed for seamanship exercises!

I respectfully submit that it is almost impossible to conceive of a course better calculated to destroy the usefulness of the Academy than the one proposed; certainly, none better calculated to supply the Navy with young men imperfectly trained for the prospective responsibilities of officers in the Engineers Corps of the Navy.

The act of Congress approved August 5, 1882, simply changes the manner of appointing cadet engineers and the title of both cadet engineers and midshipmen, but in my opinion does not warrant the idea that the course of study shall be changed or that impossibilities shall be attempted.

I therefore recommend that the cadets be allowed, upon entering the Academy, to elect which branch of the service they prefer, *i. e.*, deck or engineer officers, and to pursue thoroughly that course of studies best calculated to prepare them for the performance of the duties for which their abilities and inclinations fit them.

This restriction need not, however, interfere with the suggestion for a post-graduate course, which would have the advantage of enabling a man to bring his general knowledge up to date, or of investigating some specialty in his own time of awaiting orders, and without detriment to the interests of the service.

In this connection I beg most respectfully to call attention to some of the provisions of the act making appropriations for the naval service approved August 5, 1882, and to place upon record my earnest objections thereto, particularly with reference to so much of the act as makes the sweeping reduction of 50 per cent. of the working force of the Engineer Corps.

Of the one hundred and sixty-three passed and assistant engineers on the list January 1, 1882, ninety-six were at sea.

This number, in my judgment, is not too many to insure the safety and maintain the efficiency of the steam machinery of the Navy now afloat.

The act allows only sixty passed and forty assistant engineers.

With this reduced number, and with the same number of United States naval steamers in commission as at present, there would be an average of a little less than three watch engineers to each ship in commission; but as reliefs have to be provided for those at sea, and an allowance made for sickness, &c., the department could not assign more than one passed or one assistant engineer to each ship at sea.

There is not, to my knowledge, a single ocean steamer in the merchant marine to-day that is allowed only one assistant engineer, and when this reduction is fully made as contemplated by said act, its result can only be a great want of efficiency, the imperilment of lives and public property, and a very largely increased expenditure for repairs to boilers and machinery.

Some provision must be made for the care and management of the steam machinery of the Navy, as it is physically impossible to keep officers of the Engineer Corps at sea continuously, and equally impossible for one assistant to perform all the duties required of an engineer in the engineer department of a war steamer.

The only recourse must necessarily be the employment of mechanics or machinists, so called. Such a system, after a trial of eleven years in our Navy, had to be abandoned for the reason that competent respected mechanics could not be found, and with such as were obtained the record shows that the repairs required to machinery were numerous and extensive, often involving the expenditure of large sums of money. Every inducement was held out to secure and retain good men; their pay was increased from \$55 a month to \$61.50, then to \$76.50, the latter but little less than the pay of the educated cadet engineer; but all to no purpose, for none, with a few rare exceptions, except the idle or the intemperate, would enlist, and in the case of the exceptions noted many availed themselves of the first opportunity and obtained their discharge.

It must also be borne in mind in considering the machinist system that the United States has no large merchant steam marine like Great Britain from which to draw a supply of machinists thoroughly trained in the duties of the engine-room. It has been asserted that the engineer department of the British navy is managed upon this principle. This is not strictly true; but granting it for the present, it must be remembered that the social system prevailing in Great Britain is vastly different from that in the United States. In the former country the laborer, the mechanic, the artist, and the merchant are educated from childhood in the belief that those in official positions in the army and navy and nobility are of gentle blood, a higher race of beings than themselves, occupying a plane whose level they never can attain. Not so in the United States. Here every boy is taught that he is a possible "President," and the intelligent, educated American mechanic is not less ambitious than his fellow-men in other walks of life in his efforts to elevate himself and family in rank or standing among them.

Whenever Congress says to the laboring and mechanical classes of this country that, whatever your merits may be, you cannot, shall not, rise above the social scale in which you were born, and this declaration is acquiesced in by the public, then, and not till then, will the Navy be able to obtain such a class of skilled mechanics by enlistment as is easily to be had in England and other monarchial countries.

As stated above, the machinist's system does not prevail in the British service to the extent that this act will render necessary in our naval service, as will be seen from the fact that in June, 1881, there were one hundred and nineteen steamers in the English navy in commission, and seven hundred and thirty-six engineers on the list, which gives a little more than six engineers to each ship in active service, or about double the number that said act will allow to each ship in active service in our Navy.

I respectfully submit that, while it is contemplated to complete one or more of the monitor vessels, requiring from five to seven engineers to each, as well as to build new steamers, any reduction in the number of engineer officers will be detrimental to the best interests of the government.

I therefore respectfully recommend that Congress may be asked to so far modify the act approved August 5, 1882, in relation to the number of assistant engineers on the active list, as to allow the number provided for under act approved March 3, 1871, that is, one hundred passed assistant engineers and one hundred assistant engineers, with the relative rank for each as now fixed by law.

ESTIMATE OF APPROPRIATIONS.

I have the honor to submit herewith the annual estimates of this Bureau for the fiscal year ending June 30, 1884.

Very respectfully,

W. H. SHOCK,
Chief of Bureau.

Hon. WILLIAM E. CHANDLER,
Secretary of the Navy.

* * * * *

REPORT OF CHIEF OF THE BUREAU OF CONSTRUCTION
AND REPAIR.NAVY DEPARTMENT,
BUREAU OF CONSTRUCTION AND REPAIR,
November 11, 1882.

SIR: In compliance with your instructions of the 28th ultimo, I have the honor to state that for the purposes of this Bureau there will be required for the fiscal year ending June 30, 1884, the sum of \$6,382,807.75, as shown in the accompanying papers marked A, B, C; also statements of the work performed and amounts expended during the past fiscal year.

The estimate of the expenses of this Bureau, as given in the statement marked A, is in accordance with existing laws.

The estimate of the pay of clerks and writers at the different navy-yards, in the tabular statement marked C, is for the service of persons who cannot be dispensed with. The present appropriation for the employment of this class of clerks is inadequate for the proper execution of duties necessary to keep correct accounts of materials purchased and expended and of the labor performed. Capable persons are required for this class of work.

The estimate marked B is for the preservation of vessels on the stocks and in ordinary, purchase of materials and stores of all kinds, labor in navy-yards, &c., and for the general care and protection of the Navy.

The sum of \$500,000 is required to complete the New York, at the Brooklyn yard, and the Mohican, at the Mare Island yard. The New York, now in position on the stocks in one of the ship-houses, has a live-oak frame, and from the fact that she has been under cover and not planked or ceiled, the air has circulated freely, and her frame, beams, &c., are in a good condition of preservation to-day. A portion of her keel, which is of white oak, will have to be renewed. Although this vessel was designed and commenced in 1865, she is a very fine model, and if finished will give us another good flag-ship, the want of which is seriously felt. Her length on the mean load line is 315 feet; extreme breadth of beam, 47 feet; depth from lower edge of rabbet of keel to lowest port-sill on gun-deck is 25 feet 11 inches. She is designed to have a ship's rig, having 24,000 square feet of sail surface in her ten principal sails. Her armament will be equal to sixteen 9-inch guns on her gun-deck, two 100-pounder rifles and one 60-pounder rifle on her spar-deck. Her displacement at a draught of 18 feet 9 inches forward and 21 feet 5 inches aft would be equal to 4,527 tons, and her lowest port-sill would be 8 feet above water.

The Bureau has nearly completed the plans for finishing her, and is ready to proceed with the work at any time. She is intended to have full steam-power and a speed of 14 knots.

In completing this vessel it is proposed that all the planking, ceiling, decks, and, in fact, all wood materials excepting joiners' work, shall be such as have first been preserved by the Thilmany process for impregnating ship-timber, by which the lifetime of the vessel will be very much prolonged. From experiments that have been made, there is no doubt that this process prevents the decay of timber by dry rot, and the worm will not eat wood treated in this way. All ship-timber, knees, &c., required for repairing extensively our wooden vessels should be put through this process, and it is recommended that all wood materials suitable for it, now on hand at the different navy-yards on the Atlantic coast be shipped to the Boston yard and returned after having been impregnated.

The work on the Mohican, now on the stocks in the Mare Island yard, should be pushed to completion this year, as the vessel has already suffered somewhat from being out in the open air exposed to the weather. Her frame is of live oak, and if she is completed will give us another vessel of the Marion and Swatara class, a very successful and satisfactory class of vessels. She is 216 feet between perpendiculars, 38 feet breadth of beam, ship-rigged, having a sail surface of 14,150 square feet in her ten principal sails. Like the other vessels, she can carry an armament of one 8-inch, six 9-inch, one 60-pounder, or its equivalent in weight of more modern guns. Her draught of water, when ready for sea, is intended to be 14 feet 6 inches forward and 17 feet 6 inches aft, and at this draught her displacement will be 1,800 tons.

The sum of \$2,080,000 is asked for the purpose of building two steel cruisers, as provided for by the first session of the Forty-seventh Congress. This estimate is only for work called for under this Bureau.

Two million dollars will be required to complete the double-turreted monitors Puritan, Terror, Monadnock, and Amphitrite. These vessels were examined by competent boards of officers, in compliance with a joint resolution of the second session of the Forty-sixth Congress, and the conclusions reached by the three boards were that it would be to the interest of the government to complete these monitors, but upon plans somewhat different from those originally contemplated. The principal changes recommended by the majority of the members of these three boards were the substitution of the compound or steel-faced armor for the iron, and new long-range rifles for the smooth-bores. In the case of the Puritan, 10-inch steel-faced or compound armor was recommended, instead of 12-inch iron armor, as first designed. In my opinion it is decidedly to the interest of the government to finish these vessels. They are built of the best American iron, with double bottoms, and are intended to be finished with all modern appliances of iron-clads of their class and type. The plans for finishing these vessels as per reports of the boards referred to are now about completed, and ready for use whenever authority is given to proceed with the work. When completed, they will be as effective vessels as any of their class owned by foreign powers. A comparison of war vessels should be made by comparing those of like types and classes, not with unlike.

Nothing has as yet been done relative to obtaining the materials for the turrets and pilot-houses and armored stack of the monitor Miantonomoh, as the Bureau of Ordnance has not yet fully decided upon the character of the turrets, &c., and, until it does, nothing further can be done by this Bureau. In the mean time, this Bureau has had built a square timber crib around the base-ring of the forward and after turrets, and around the base of the smoke-stack, and chain cables and kentledge corresponding with the weight of the turrets; pilot-house, guns, and armored stack have been weighed and put inside of these cribs; the weight of the ammunition shot and shell has been put in the magazines and shell-rooms, by using a corresponding weight of empty shell; the coal bunkers have been filled with coal, and other outfits, equipments, and stores of various kinds put aboard, so that the vessel will be in a few days at her sea-draught, as designed, and a trial of speed can then be made, both in the river and at sea, with perfect safety.

Believing that any person can form a much better idea of the value of these vessels from an actual observation on board of one, I would respectfully suggest that after the Miantonomoh has been docked at Norfolk, her bottom cleaned, and a trial had of her speed, she be brought to Washington and anchored in the Potomac River, in order to give

our Senators, Representatives, and others a chance to visit and inspect her, and thereby become better acquainted with the character and merits of this class of vessels.

The appropriation for this Bureau for the fiscal year ending June 30, 1882, was	\$1,500,000 00
Less amount expended in repairing the U. S. S. Lancaster and Brooklyn from March 1, 1881, to June 30, 1881, in accordance with the provisions of the act approved February 23, 1881	130,936 00
Total	1,369,064 00
Expended from July 1, 1881, to June 30, 1882:	
For labor at the navy-yards	\$1,068,699 43
For materials, &c	279,130 96
	1,347,830 39
Balance on hand July 1, 1882	21,233 61
Additional appropriation, act of August 5, 1882	75,000 00
	96,233 61

Vessels repaired at the different navy-yards during the fiscal year 1881-'82.

Adams.	Iroquois.	New Hampshire.	Saratoga.
Alarm.	Jamestown.	Omaha.	Saint Louis.
Alliance.	Jean Sands.	Ossipee.	Snowdrop.
Brooklyn.	Jupiaia.	Passaic.	Speedwell.
Despatch.	Kearsarge.	Pensacola.	Standish.
Emerald.	Lackawanna.	Pinta.	Tallapoosa.
Enterprise.	Lancaster.	Portsmouth.	Tennessee.
Essex.	Mayflower.	Powhatan.	Trenton.
Franklin.	Miantonomoh.	Quinnebaug.	Tuscarora.
Hartford.	Mohican.	Ranger.	Wyandotte.

Vessels which had only minor repairs done to them.

Alaska.	Constitution.	Leyden.	Pilgrim.
Ajax.	Dictator.	Manhattan.	Plymouth.
Benicia.	Fortune.	Monadnock.	Shenandoah.
Burlington.	Frolic.	Minnesota.	Supply.
Camanche.	Glance.	Montauk.	Triana.
Catalpa.	Guard.	Monterey.	Vandalia.
Catskill.	Intrepid.	Nahant.	Wabash.
Cohasset.	Jason.	Namagansett.	Yantic.
Colorado.	Lehigh.		

The following table shows the number, rate or classes, and condition of vessels, as per Navy Register:

No.	Rate or class.	Displacement.	Condition.	Remarks.
		<i>Tons.</i>		
1	1st rate	4,840	Serviceable	This vessel, the Tennessee, will be of service perhaps one year longer; then she should be disposed of.
14	2d rate	2,160 to 3,920	do	
22	3d rate	900 to 1,900	do	
6	4th rate	420 to 1,270	do	
13	4th-rate monitors ..	1,875 to 2,100	do	Requiring extensive repairs.
4	1st rate	4,650 to 5,170	do	
1	2d rate	2,400	do	
6	3d-rate monitors ..	3,815 to 4,500	do	
1	4th-rate monitor ..	2,100	do	Unserviceable
22	1st, 2d, 3d, and 4th rates	900 to 5,440	do	
25	Tugs			
23	Sailing vessels			
1	1st rate	4,400		The New York, on the stocks at the Brooklyn yard, recommended to be completed.
139				

Among the fourteen second-rates reported to be serviceable is the Powhatan, a very old side-wheel steamer, which has been and can yet be made very useful, but if kept in service many years longer must have extensive repairs.

The repairs to the Trenton have been commenced at the New York yard. Eight months will be required to complete her ready for service.

The Pensacola needs, or will soon need, extensive repairs.

The Omaha is rebuilding at the Portsmouth (N. H.) yard, and when finished will have a complete live-oak frame, a ventilating apparatus, and 12-inch round air ports of the Bureau's design. All of the material for planking, ceiling, and decks will be of yellow pine, impregnated, or preserved under the Thilmany process.

The Ticonderoga is in ordinary at the New York yard, and if repaired this year it can be done more economically than later, as wooden vessels deteriorate much faster when out of commission and laid up in ordinary than when in commission and well cared for.

The Monongahela is in ordinary at the Mare Island yard, and will require extensive repairs to put her in order for sea service.

The Shenandoah has just been taken in hand for repairs at the Boston yard, and will be completed in about six months.

Of the twenty-two third-rates reported to be in a serviceable condition there is included the Ossipee, now undergoing extensive repairs at the League Island yard.

The Swatara, now on her way home from China, and the Marion, on her way home from the South Atlantic station, will require extensive repairs.

The Wachusett, just arrived at the Mare Island yard, requires repairs.

The Wyoming, heretofore used as a store-ship at Port Royal, S. C., has recently been turned over to the Naval Academy, to be used as a practice ship, and can no longer be considered among the effective vessels of the Navy.

The Tuscarora is in ordinary at the Mare Island yard, and it is very doubtful if she is worth repairing.

The Alert, an iron vessel, is undergoing repairs at the Mare Island yard, and can be made ready for service, so far as this Bureau is concerned, by an expenditure of about \$15,000.

The Ranger, a sister ship of the Alert, has just been completed, and is now ready for service.

The six fourth-rates said to be in a serviceable condition include the Palos, an iron tug, built up on and sent to China. She is reported to be in very bad condition.

The Alarm is out of commission, at the Norfolk yard, her propeller and steering apparatus having given out.

The Intrepid is out of commission, at the New York yard. In the opinion of the Bureau this vessel can, by taking off her side armor, armored stack, and pilot-house, be converted into a light-draught gun-boat for use on the Asiatic station. She can be brig-rigged, and arranged to carry two 8-inch converted rifles. The Bureau is now preparing plans for her conversion, and recommends that the alterations called for be made at once.

Thirteen of the monitors, fourth-rates, considered serviceable are stationed as follows:

Ajax, at City Point, in ordinary.

Canonicus, at Norfolk, in ordinary.

Camanche, at Mare Island, in ordinary.

Catskill, at City Point, in ordinary.

Jason, at League Island, in ordinary.

Lehigh, at City Point, in ordinary.

Mahopac, at City Point, in ordinary.

Manhattan, at City Point, in ordinary.

Montauk, in commission.

Nahant, in commission.

Passaic, in commission.

Nantucket, in commission.

Wyandotte, in commission as receiving ship.

The following twenty-two unserviceable vessels should be disposed of, and their names stricken from the Navy Register: Niagara, Connecticut, Pennsylvania, Java, Iowa, Antietam, Florida, Susquehanna, Congress, Worcester, Canandaigua, Benicia, Narragansett, Nyack, Saco, Shawmut, Kansas, Frolic, Colossus, Massachusetts, Oregon, and Roanoke.

They are utterly worthless for naval purposes, but have to be protected from fire and thieves, and the expense to this Bureau for ship-keepers alone amounts to over \$30,000 annually; and this expense is increased when the labor of pumping, shoveling snow off, and other incidentals are added.

Of the twenty-five tugs borne on the Navy Register the following should be disposed of:

Burlington, an old iron ferry-boat, laid up at League Island; of no use to the government.

Rose, a wooden tug, at Pensacola, in a badly-decayed condition; not worth repairing.

Seaweed is nothing more than a large pleasure launch, at Port Royal, S. C.

Sorrel, a wooden tug at League Island, is so far decayed she had to be hauled on the flats to keep her above water.

Blue Light, an old, useless wooden tug, laid up at New London, requiring extensive repairs.

The following should be classed as ferry-boats, and so designated on the Navy Register:

Emerald, running between Kittery yard and Portsmouth, N. H.

Nellie, running between Mare Island yard and Vallejo, Cal.

Phlox, running between Naval Academy and Baltimore, Md. (undergoing repairs).

This would reduce the number of tugs on the Navy Register to seventeen, ten of which are of iron, and nearly all in good condition, so far as known.

Of the twenty-three sailing vessels, thirteen should be disposed of, and the following named retained for receiving, training, and practice ships until the condition of their hulls renders extensive repairs necessary, when they also should be disposed of: New Hampshire, Vermont, Constellation, Constitution, Portsmouth, Jamestown, Saratoga, St. Louis, St. Mary's, and Dale.

This Bureau has expended during the past three years on vessels comprising the training squadron the sum of \$193,668.

Among the vessels borne on the Navy Register as requiring extensive repairs are the Franklin, Colorado, Wabash, and Minnesota, which should be classed as unserviceable for any purpose except as receiving ships: even for this service they are expensive. The Puritan, Terror, Monadnock, and Amphitrite should be borne on the Register as "new vessels in course of construction." The Miantonomoh is completed, except her turrets, pilot-house, and armored smoke-stack. The Dicta-

tor is undoubtedly unfit for any use, and it would be a waste of funds to undertake to repair her. She has a single bottom and wooden deck-beams; her planking is covered with iron, having thin, laminated turrets and side-armor.

The *Saugus* requires extensive repairs, but should be carefully surveyed before having anything done to her.

The plan proposed by Mr. Harris, of the House Naval Committee of the Forty-fifth Congress, for disposing of the old vessels of the Navy, is, in my opinion, the best yet suggested. His idea was that no vessel should be repaired which would cost over 40 per cent. of her original cost, or the cost of a new ship of like materials at the present time, unless recommended by a board of officers: the money accruing from the sales of condemned vessels afloat to be used, so far as may be necessary, in the destruction of vessels now on the stocks.

There are a good many vessels on the stocks that have remained in an uncompleted condition since the late war, and some longer. They are now so far decayed that they must be destroyed where they are, and it would be much better to have this done by navy-yard employes than by contract with outside parties, who would not be subject to navy-yard regulations and would claim the free use of the tools and appliances of the yard. If private parties find it profitable to come into our navy-yards to break up these vessels, it will pay the government equally well to have the work done by its own employes.

With regard to the double-turreted monitors, *Massachusetts*, at the Portsmouth, N. H., yard; the *Oregon*, at the Boston yard, and the *Colossus*, at the New York yard, the iron-truss frames in these vessels cost \$157,000 each, and, being keyed together, they could all be readily and economically removed, shipped to the Washington yard, and worked over into such sizes as may be required for use in new vessels, and the copper materials put into sheets and bolts for future use.

None of the old iron materials, such as turret plates, gear, &c., should be disposed of, as they can all be reworked into such sizes and shapes as will be required in future.

In connection with this matter, I would respectfully call your attention to the necessity of providing our principal navy-yards with such tools as they may need in addition to those now on hand, for the purpose of building and repairing steel and iron ships. While the iron shipbuilding firms of this country are undoubtedly prepared for, and could, in the event of war, build very many ships, the experience during the late civil war has shown that the entire shipbuilding interests of the country, together with all our northern navy yards, were taxed to their utmost capacity. If this was the case then, we would labor at a great disadvantage in the event of a foreign war if we had to depend entirely upon outside builders. The sum of \$150,000 expended for such tools would, in my opinion, be sufficient to put our yards in good order for this class of work.

I desire to especially invite your attention to the necessity for, as well as the great advantage the government would derive from, the building of a suitable dry-dock at the League Island navy-yard.

In fitting the *Constitution* to carry goods to the Paris Exposition, it was necessary to dock the ship, and outside parties had to be depended upon; though satisfactory arrangements were made in this case, great delay and inconvenience might occur in an emergency, such as our inability to obtain the use of a dock belonging to private parties.

There are but few foreign governments possessing navy-yards that

are not in better condition for docking their vessels at this time than our own.

The turning-gates and caisson of the dry-dock at the Boston yard are in an unsafe condition, and with a few thousand dollars expended upon them could be made good for some time to come. The docking of the Powhatan is now delayed in consequence of repairs of a temporary character being made upon them in order that the ship may be docked. These turning gates should be put in order without further delay, as it is risky to dock a vessel for extensive repairs without it.

Now that the four sections of the floating dock are at the Pensacola yard, and the new caisson has been built, I would respectfully urge upon the department the necessity for putting these sections in order for use, and that two more be built, so that the docks may be used to good advantage in docking a vessel at that place. The sections are now of no use, and when put together will only take out a moderate-sized vessel. I would also urge the speedy completion of the stone dry-dock at the Mare Island yard.

I have the honor to be, very respectfully, your obedient servant,

T. D. WILSON,
Chief of Bureau.

Hon. WM. E. CHANDLER,
Secretary of the Navy.

* * * * *

MEMORANDUM OF THE NAVAL ADVISORY BOARD.

NAVAL ADVISORY BOARD,
Washington, November 21, 1882.

SIR: The Naval Advisory Board recommends to the honorable the Secretary of the Navy that there be constructed, in addition to the two cruisers already authorized to be built, two of the ten second-rate, single-decked, steel, unarmored cruisers recommended by the late Naval Advisory Board, the displacement being limited, however, to about 2,500 tons each, with a speed of not less than 13 knots, and at a cost each—

To construction.....	\$425, 000
To engines	285, 000
To ordnance	164, 825
To equipment.....	50, 000
Total.....	924, 825

The battery to consist of eight 6-inch breech-loading rifled guns and six revolving guns.

We might also recommend for construction one ram, of the five steel rams suggested by the late Naval Advisory Board, the displacement to be about 2,000 tons with a sea speed of 13 knots, at a cost each—

To construction.....	\$350, 000
To engines (twin-screw).....	300, 000
To equipment	20, 000
To torpedo outfit (if fitted)	51, 000
Total.....	721, 000

The Board is, however, of the opinion that the construction of a ram is not indispensably necessary, except under prospect of war. The

ram is of no use in time of peace, and can be built within ninety days, or readily improvised from another vessel in emergency.

The Board advises that a ram should be designed, to provide against contingency above referred to.

Also one dispatch boat, of about 1,500 tons displacement, to be built of iron, with double bottom, with speed of not less than 15 knots, at a cost—

To construction.....	\$230,000
To engines.....	175,000
To ordnance.....	30,000
To equipment.....	25,000
Total.....	460,000

To be armed with one 6-inch breech-loading rifled and four Hotchkiss guns.

The Board, however, suggests that in place of calling this vessel a "dispatch boat" she should be designated a "clipper."

The Board is of the opinion that the construction of a torpedo and gun boat, with a displacement of 450 tons and a speed of 13 knots, as recommended by the late Naval Advisory Board, is not practicable.

The Board would advise the purchase of one "cruising torpedo boat" 100 feet long, with a maximum speed of 21 knots, at a cost of \$38,000, and, in place of the torpedo gunboat, the "dispatch boat" or "clipper" be duplicated, as this is considered a most useful type in war or peace.

Very respectfully, your obedient servant,

R. W. SHUFELDT.

Commodore, United States Navy, President of the Board.

Hon. W. E. CHANDLER,

Secretary of the Navy.

REPORT OF THE CHIEF OF THE BUREAU OF PROVISIONS AND CLOTHING.

NAVY DEPARTMENT. BUREAU OF PROVISIONS AND CLOTHING.

November 8, 1882.

SIR: I have the honor to submit a report of the transactions of this Bureau for the fiscal year ending June 30, 1882:

The appropriation for provisions was	\$1,200,000 00
Amount expended (1881-'82), as per accounts rendered up to November 1, 1882	1,057,006 40
Balance	142,993 60
The appropriation for contingent was	60,000 00
Amount expended (1881-'82), as per accounts rendered up to November 1, 1882	35,153 75
Balance	24,846 25
The amount of clothing fund July 1, 1881, was	317,915 60
Amount expended (1881-'82), per returns	165,318 46
Balance	152,597 14
Amount received for clothing issued	235,099 53
Amount of fund June 30, 1882	387,696 67

The amount of the small-stores fund July 1, 1881, was.....	\$101,423 14
Amount expended (1881-'82), per returns.....	80,845 45
Balance	20,577 69
Amount received for small stores issued	79,108 23
Amount of fund June 30, 1882.....	99,685 92
Of the amount expended for provisions, there was paid for commuted rations.....	519,439 64
For purchase of provisions from crews	59,762 58
Total.....	579,202 22

I herewith inclose estimates marked A, B, C, D, and E, for the fiscal year ending June 30, 1884, together with schedules numbered from 1 to 6, inclusive, and statement No. 7, pertaining to the operations of this Bureau during the year ending June 30, 1882.

I have the honor to be, very respectfully, your obedient servant,

J. A. SMITH,

Paymaster-General, U. S. Navy.

Hon. WM. E. CHANDLER,

Secretary of the Navy, Washington.

* * * * *

REPORT OF THE COMMANDANT OF THE MARINE CORPS.

HEADQUARTERS MARINE CORPS,

COMMANDANT'S OFFICE,

Washington, D. C., October 1, 1882.

SIR: I have the honor to submit my annual report of the condition of the United States Marine Corps for the period covered since November 1, 1881.

On October 1, 1882, there were 1,861 enlisted men in the Corps, 984 of whom were on board ships in commission, and 877 doing duty at the several shore stations.

During the past year there have been 690 enlistments, 132 re-enlistments, 404 discharges, and 12 deaths, also 500 desertions.

I am of the opinion that the principal cause of desertion is the fact that there are not enough men to do the duty required anywhere, and that the constant guard duty, without cessation, becomes onerous and leads to dissatisfaction.

No changes have occurred among the officers on the "active list." Two officers on the "retired list" have died, viz, Lieut. Col. Ward Marston and First Lieut. Arthur L. Watson. Of the "active list" two captains are on "sick leave" for long periods, one "under suspension," and two are employed "on special duty." One first lieutenant is "on leave of absence," and is employed by the Chinese Government. Deducting these, and excluding the "field and staff," leaves fifteen captains, twenty-nine first lieutenants, and fourteen second lieutenants to perform all the duty required on board ships and at the various shore stations. There are at present, exclusive of commanding officers, but twenty-six officers for shore duty at ten posts of the Marine Corps, a number totally inadequate, even if they were equally divided, but where some posts (such as the larger ones) need not less than four to five officers each, it can readily be seen that the smaller ones would have none.

It is urgently recommended that Congress restore the sixteen second lieutenants by which the Corps was reduced by a clause in the naval appropriation bill of 1876-77.

The same bill reduced the appropriation for the support of the Corps to fifteen hundred privates. Since then various efforts have been made by the Navy Department to increase the appropriation again to that for two thousand privates, which number is still provided for by the act under which the Corps is organized. Constant complaint arises at all the naval stations and on board ships in commission, that there are not enough privates to do the duty required. Unless Congress will increase the number there is no remedy for this, other than a decrease of shore stations.

The inspections made quarterly by the adjutant and inspector of the Corps, and my own annual inspection, show the troops to be in as good a state of efficiency and discipline as is possible to effect with inadequate numbers everywhere. The reports of the "board of inspection" of guards returning from sea are also satisfactory.

A detachment of the Marine Corps, serving in the vessels of the European station, was recently landed, under their officers, at Alexandria, Egypt, for the protection of American citizens and property, after the bombardment of that city by the English fleet, and rendered very efficient aid in the restoration of public order and the arrest of incendiarism and robbery.

The employment of the royal marines by the English in their recent operations in Egypt is a most striking proof of the usefulness of this arm of the service; and our own may always be relied on to render the same efficient aid whenever called on, whether "by land or sea," they having taken an active part in all our own wars.

In consequence of an epidemic of yellow fever, it has been found necessary to remove the detachment serving at the Pensacola, Fla., navy-yard to Mount Vernon Barracks, Ala., where the men are encamped, living in tents. If it is the intention of the department to continue the post at the Pensacola navy-yard, quarters for officers and barracks for the enlisted men are urgently needed, and an appropriation for that purpose should be asked for. I have already, in former reports, enlarged upon this and the same necessity at the navy-yard, Norfolk, Va., where the men are very badly quartered, and the officers have no quarters at all, but live at long distances from the men.

The annual estimates for the support of the Corps were forwarded to the Navy Department on the 29th of September last.

Very respectfully, your obedient servant,

C. G. McCRAWLEY,

Colonel Commandant, United States Marine Corps.

Hon. WM. E. CHANDLER,

Secretary of the Navy, Navy Department,

Washington, D. C.

• * * * * • •

REPORT OF THE SUPERINTENDENT OF THE NAVAL ACADEMY.

UNITED STATES NAVAL ACADEMY,
Annapolis, Md., November 20, 1882.

SIR: In obedience to the department's order of the 17th instant, I have the honor to make the following report of the operations of the Academy during the past year.

The prescribed courses of instruction for the classes of cadet-midshipmen and cadet-engineers were pursued until the close of the academic year in June last.

On the 8th of February last a committee of five members of the academic board was appointed to examine these courses and report such modifications and improvements as it might deem necessary. Their report was made May 8, adopted by the board May 18, and approved by the department June 10, 1882, but before the approved changes could be put into operation an act of Congress, approved August 5, 1882, abolished the titles of cadet-midshipmen and cadet-engineers and made all the undergraduates of the Academy naval cadets. This necessitated a further change in the course of instruction, and all the cadets now pursue that adopted for the cadet-midshipmen, with such alterations as were necessary to suit their new status.

Much attention has been given during the year to practical instruction. In addition to such as could be given in the afternoons, the Dale, Mayflower, Standish, and monitor Nantucket cruised in the bay every Saturday morning that the weather permitted, from early in March until June, all the stations on board of the vessels, both on deck and in the engine and fire rooms, being filled by the cadets. Constant instruction has also been given in the management and in working the engines of steam launches. A rigging-loft has been established, in which the cadets are carefully instructed in marline-spike seamanship.

The usual summer practice cruise was made in the sailing ships Constellation and Dale and the steamers Mayflower and Standish by all the cadets except the third class of cadet-engineers; the cadet-midshipmen in the sailing vessels, and the cadet-engineers in the steamers.

The cadet-midshipmen of the first class were instructed in the duties that are required of cadet-midshipmen in cruising vessels of war, and those of the junior class in the duties of seamen.

The Constellation and Dale cruised at sea, visiting only the port of New York, where the Constellation was detained four days beyond her allotted time in consequence of necessary repairs to her rudder.

The steamers were used principally as quarters for the cadet-engineers and to take them from one navy-yard to another. While under way, or when not engaged in other duties, the cadet-engineers of the first class were instructed in the duties required of cadet-engineers during their two years' course in cruising steamers, and those of the second class in the duties of firemen.

The cadet-engineers of the Mayflower were given daily instruction in mechanical work pertaining to the construction of marine engines and boilers in the shops of the Norfolk navy-yard for one month and in those of the Boston navy-yard for one month. The same instruction and for the same length of time was given to the cadet-engineers of the Standish in the shops of the Washington and New York navy-yards.

The cadet engineers of the third class remained at the Academy, and were daily instructed in mechanical work in its shop.

Copies of the reports of the commanding officers of the practice vessels were forwarded to the department with my letter of September 25.

All of the cadets were granted leave of absence during the month of September.

Changes have been made in the mode of disciplining the cadets, with satisfactory results. Conduct grades have been established, with privileges and requirements attached to each grade, by which cadets who are studious and who evince a desire to comply with the regulations are allowed privileges that are denied to others.

Soon after the opening of the present academic year it was discovered that the fourth class was being "hazed" by members of the second and third classes. A court-martial was immediately convened in accordance with the requirements of the act of June 23, 1874, before which three cadets were tried, found guilty, and dismissed.

During the summer the quarters of the cadets were repaired and improved.

Many of the buildings used as officers' quarters have been repaired and partially refurnished; the new bakery, and armory building except its internal arrangements, have been finished. The house occupied by the Superintendent as his quarters, having been surveyed by a board of officers and experts and by an experienced architect and pronounced unsafe, is being rebuilt. The grounds have been improved by grading and opening a much-needed roadway.

The sewers and drains have been overhauled and improved.

After the examination held in June last, thirty-seven cadet-midshipmen and twenty-two cadet engineers, who had completed the four years' course of instruction, were detached from the Academy. Forty-four candidates for admission presented themselves in June, sixty-seven in September, and three in October. Of this number, sixty were admitted; thirty-eight failed to pass the required examination; fifteen were rejected physically, and one passed the required examination but failed to report for duty.

It is of very great benefit to the cadets of the fourth class to make the summer practice cruise, and it is therefore respectfully recommended that hereafter all candidates for admission shall be directed to report for examination on or about the 15th day of May in each year, in order that they may be properly provided with uniform and other necessary clothing before the vessels leave Annapolis. It is also recommended that hereafter, when classes of cadets shall have completed their six years' course, they shall be ordered to report to the Academy on or about the 1st day of May of each year, for their final graduating examination.

The object of this recommendation is that the examination of these classes may not interfere with the examinations of the four classes at the Academy, or delay the departure of the practice vessels.

It is further recommended that when the yearly nominations of candidates to fill vacancies shall be made, candidates shall also be nominated to fill the vacancies that will occur immediately after the final graduating examination of the year.

Under the law of August 5, 1882, these vacancies must occur as soon as the examination shall be concluded, as all who are not promoted into the service must be discharged. It would be advisable that alternates should be nominated at the same time with the principals, so that there may be no delay in filling vacancies should any of the candidates fail to pass the required examinations.

The law of August 5, 1882, requires that the vacancies which may have occurred in the lower grades of the line, Engineer Corps, and Marine

Corps of the Navy, shall be filled by appointments to be made from the graduates of the year, at the conclusion of their six years' course, in the order of merit as determined by the academic board of the Naval Academy; the assignments to the various corps to be made by the Secretary of the Navy upon the recommendation of the academic board.

In this connection your attention is called to the great disparity in position and pay of the lowest grades in the three corps. Assistant engineers and second lieutenants of marines are commissioned officers, while midshipmen are appointed officers. Assistant engineers receive at sea, \$1,700 per annum; second lieutenants of marines, \$1,400 per annum, and midshipmen, \$1,000 per annum. It will hardly seem complimentary to the number one of a class who should evince special ability as a line officer, to give him a simple appointment with a salary of \$1,000 per annum, while others who pass below him are given commissions and salaries of \$1,400 and \$1,700 per annum.

The duties required of the lowest grade of line officers are fully as important and arduous as those required of the lowest grade of marine and engineer officers, and frequently involve much more responsibility. It would seem but just that the naval cadets assigned to the line, after the completion of the six years' course, should be commissioned as ensigns. Even this would not put them on an equal footing, as regards pay, with those assigned to the Marine and Engineer Corps, the sea pay of an ensign being \$1,200 per annum.

I am, sir, very respectfully, your obedient servant,

F. M. RAMSAY,

Captain, U. S. Navy, Superintendent.

Hon. WM. E. CHANDLER,

Secretary of the Navy, Washington, D. C.

* * * * *

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY, 1882.

UNITED STATES NAVAL ACADEMY,
Annapolis, Md., June 10, 1882.

SIR: The Board of Visitors appointed to attend the annual examinations at the United States Naval Academy have the honor to submit the following report of their proceedings.

The Board met on Thursday, June 1, and organized as follows:

OFFICERS.

Commodore Samuel R. Franklin, president; Senator H. L. Dawes, of Massachusetts, vice-president.

STANDING COMMITTEES.

Seamanship, gunnery, and navigation.—Senator H. L. Dawes; Capt. P. C. Johnson, U. S. N.; Mr. Charles Watrous.

Steam, mathematics, physics, and mechanics.—General E. D. Townsend, U. S. A.; General Aaron F. Stevens; Mr. N. M. Hubbard.

English studies, modern languages, and drawing.—Senator Charles W. Jones, of Florida; Hon. William A. Courtenay; Hon. John R. Thomas, House of Representatives.

Grounds, buildings, and sanitary condition.—Hon. Chester B. Darrall, House of Representatives; Mr. Charles Watrous; General E. D. Townsend, U. S. A.

Finance and library.—Hon. Henry L. Harris, House of Representatives; Mr. N. M. Hubbard; Hon. Chester B. Darrall, House of Representatives.

Administration and police.—Hon. John R. Thomas, House of Representatives; General Aaron F. Stevens; Capt. P. C. Johnson, U. S. N.

The Board met daily, with a full attendance of members, except when the public service required the presence of the members of Congress in Washington.

In presenting their report they desire to express their high estimate of the value of this institution to the country.

The academic standard of education and conduct is high, and the most beneficent results must ensue from a preparatory course so thorough and elevated.

Every facility was afforded in examining the branches of steam, mathematics, physics, and mechanics, by the several officers connected with these departments. Copies of the written examinations were furnished, the apparatus in use was exhibited, and examinations were conducted in presence of members of the committee. So far as they are able to judge, the course of instruction is very thorough, and is ably and faithfully conducted.

The apparatus in each branch, except that of steam, seems well adapted to the purposes of instruction. The steam-engine and boilers, which are set up in the steam room, are obsolete and, though better than none at all, do not answer the purpose. They should be replaced by a compound engine and boilers to match, of latest pattern, such as are now in universal use.

It may well happen that an engineer just graduated at the Naval Academy may be assigned to a ship with an engine with whose construction and working he may be unfamiliar, so that the practical instruction he has had at the Academy on this subject is really of little avail.

Objection has sometimes been made to this Academy, that too high a standard of scientific study is required, which practically excludes from the Navy young men who would make excellent line officers.

The admirable system of optional or advanced studies, which has been tried with success during the past five years, seems fully to answer this objection.

The standard below which no cadet must fall is only such as is necessary to develop and exercise the intellectual powers and to make an efficient naval officer. So long as the rapid and continued development of science is a matter of prime interest in the walks of civil life, it is essential that the naval profession shall not be behind in scientific attainments. But to each cadet, midshipman, and engineer there is open a course (if he chooses to take it) in the highest branches of certain subjects studied by his class. He must constantly maintain in all branches at least the requisite standard of excellence, and while doing this he may receive special instruction in the branch of his choice, to any extent to which it is possible to carry it. Thus by diligent application he may, two or three days in a week, master a double lesson in the ordinary course, and the time so saved may be devoted to his optional course.

The examination each year in the optional courses is conducted separately from that in the regular course, and a fraction is added to

the cadet's mark, which gives him a reward for his industry in a somewhat higher class rank.

BUILDINGS, GROUNDS, AND SANITARY CONDITION.

All the buildings have been examined, and, without going into particular details of each, they call attention especially to such as are insecure and unsuitable in location and design.

1. *The Superintendent's quarters.*—This house was built about the year 1720. A cellar has since been dug under it, and several doors have been at various times cut through the walls, which has much weakened them. One of the side walls is 7 inches out of plumb; the chimney on that side is 10 inches out of plumb. The exterior walls are badly cracked, and the cracks are rapidly opening; in one room the floor has had to be pieced where it had separated from the wall. Owing to the disintegration of the bricks and mortar (not originally of the best quality and yielding to decay), it is impossible to bind the walls with ties. It would not be surprising if this building should fall at any moment.

In any city where inspection of buildings is regulated by law, it would be pronounced too dangerous for occupancy.

2. *Officers' quarters.*—Some of the quarters for officers are good and well located, particularly those known as "Blake Row." "Goldsborough Row," on the same line, consists of two double houses temporarily divided into flats, in each of which there are eight families.

There are twenty-five officers and professors who, from want of quarters for their accommodation in the grounds, are obliged to hire houses in the city, and they receive no allowance to indemnify them for this extraordinary expense.

3. *Cadets' quarters.*—Part of the cadets now occupy five buildings, known as "Stribling's Row," at the east side of the grounds. This is the proper locality for the cadets' quarters, being near the shipping, and remote from the dividing wall between the public grounds and the city. In the same row is a house now occupied by officers. All these buildings are unsafe. The outer walls are cracked and bulge out to such a degree as to give evidence of settling. The rooms, moreover, are small; about 196 cadets could be accommodated in all this row. But these buildings are from 450 to 500 yards distant from the mess hall, and from the quarters of the larger number of cadets. The main building, used as cadet quarters, is at the west end of the grounds near the dividing wall. It has four stories and basement, and now accommodates in the ninety-six rooms used as quarters about 192 cadets. There are four rooms on each floor of very good size; all the rest are small, even for their two occupants. The rooms of the lower floor at the end and the attic rooms are used as recitation rooms. At the other end of the building is the temporary mess hall, with space to seat about 350. The kitchens are in the basement under the mess hall.

Besides the inconvenience of thus separating the cadets in their quarters from their several recitation rooms and mess hall, the odors arising from the kitchen form another serious objection to this arrangement.

4. *Recitation hall.*—This is a three-story building, erected in 1851, adjoining the cadets' quarters at the east end of the grounds. The condition of this building is even more dangerous than that of the Superintendent's quarters, because it is a much larger one. The walls have settled in some places to such a degree as to throw window-sills nearly one foot out of the horizontal line.

There is danger that the whole structure may tumble down at any moment, and, should such a thing occur while a recitation was in progress, loss of life and serious injuries would be certain.

RECOMMENDATIONS.

1st. That new quarters be provided for the Superintendent, those now in use being hazardous for occupation.

2d. That, looking to the future permanent wants of the Academy, a true economy would be best secured by procuring plans and projecting one or more modern-style buildings on the present site of the recitation hall and the row of quarters numbered 1, 2, 3, 4, 5, 6, 7, 8 and 9 to the east of it—said buildings to embrace quarters for 400 cadets, recitation halls, and other necessary apartments to meet the future wants of the school. Such plans could be best perfected through a series of years; the material in the old buildings removed could be utilized as far as practicable in the new structures, with the final result of having a very complete establishment, and without calling for large money appropriations in any one year, and with the farther advantage of having these expenditures made without haste.

3d. That the building at the west end of the grounds be converted into quarters for officers and instructors, so as to bring inside the academy limits all officials connected with the Academy.

4th. That a new mess hall and kitchens be built contiguous to the proposed permanent quarters.

The Board deem many of these improvements to be of pressing need, and all really essential to the needs of this institution.

Of the grounds and the sanitary condition of the whole institution, the Board are pleased to be able to speak in the highest terms of commendation.

It would certainly add much to the convenience of arrangement as to locality in the erection of new buildings if a small piece of ground could be added by purchase at the west end, behind the main cadets' quarters.

The Board recommend a further inquiry into this subject by the proper authority.

The piece of ground referred to lies between the wall surrounding the Academy and a strip of land belonging to the government on the same side of the stream known as "Grave-yard Creek." There is a bridge over the creek leading to the cemetery of the Academy, turning to the east, and to a large general hospital to the west, but the route is circuitous.

If the intervening land belonged to the United States, a much shorter direct route to the cemetery and hospital could be opened, and a public improvement secured, the advantages of which are very apparent.

The hospital referred to, though standing on grounds of the Academy, belongs to the Navy Hospital Department. It is a large and costly brick building, with accommodations for 100 patients. There are out-buildings, with machinery for the manufacture of gas, heating apparatus, &c. For want of about \$2,000 repairs the whole establishment is rapidly going to decay.

There seems to be no present use for such a hospital, but property of such extent and value should be preserved in good order, against future contingencies, as at any time it may be found useful for the public service.

ENGLISH STUDIES, HISTORY AND LAW.

The Board desire to express their satisfaction at the very thorough course of instruction in English studies, history and law, embracing a

three-fold object: first, to train cadets in the art of expression; secondly, to give them a requisite knowledge of history, both of our own and of other countries; and, thirdly, to instruct them in the constitution and form of government of the United States, and in the leading principles of maritime international law.

1st. *In English*.—The main object is to teach cadets to express themselves with readiness, simplicity, and force. The subject is taught in three ways—by precept, by example, and by practice. For the first, a short but thorough course in rhetoric is sufficient.

For the second, the students have critical and analytical readings from English classical prose writers, Burke's works being chiefly those used. A certain part of the course is also devoted to the study of Shakespeare.

For practical instruction the cadets have exercises during the first year in the composition of notes, letters, and telegrams; second year, official dispatches; third and fourth years, themes and essays upon professional and other subjects. The cadets have also monthly written examinations. All exercises in the English department are carefully examined by the instructor, who indicates the errors without making the corrections. They are then returned to the writers, by whom the corrections are made, and the papers are then handed in again and examined anew. This process is continued until all the mistakes are fully corrected.

It is believed that there are few educational establishments in the country where so complete a method is employed for teaching the students to write their mother tongue, and the results attained have been very satisfactory.

2d. *In history*.—A general course is given in European history, and a full and thorough course in the history of the United States.

There are, besides, two special courses in history.

1. *Naval history*, which embraces lectures upon the development and history of the navies of Europe and America, including a careful study of the events of the great naval wars and of the lives of great naval commanders, such as Nelson, Collingwood, Perry, Decatur, McDonough, Hull, &c.

2. *Contemporary history*, which includes the study of the events of the day, of the institutions of existing States, their constitutions, forms of government, and the actual state of their relations with each other.

It is deemed absolutely necessary that cadets, immediately after graduation, should have some familiarity with the existing state of foreign relations, and it is to meet this want that the course in contemporary history has been introduced.

3d. *In law*.—Cadets in the first place make a close analytical study of the Constitution and administrative system of the United States.

Secondly. The first class of cadet midshipmen has a course in international law, which is confined and directed especially to those branches of the subject which are closely connected with the naval profession, such as prize law, blockade and contraband, the protection of citizens abroad, the rights and privileges of ships of war in foreign ports, &c.

The peculiar feature of the course in international law at the Naval Academy is that, in addition to the theoretical method by which the subject is usually taught, very full practical instruction is given by questions framed upon a hypothetical set of circumstances, sometimes fictitious, sometimes drawn from reported cases, but always circumstances that may arise and that are likely to arise in the experience of a naval officer.

These questions are given to the cadet in the same form in which they would come before the officers for decision, and the student is called upon to decide what would be his action in the premises. The result of such a method of instruction is, that the knowledge acquired by the student becomes much more flexible and better adapted to meet the actual wants for which this knowledge is required.

DRAWING.

The Board note with satisfaction the instruction of the cadets in linear perspective and free-hand drawing, from objects immediately connected with the duties of naval officers, which is of immediate importance, as it materially assists cadets in the acquisition of knowledge in the professional branches—seamanship and gunnery.

The course in topographical and chart drawing, to which free-hand drawing is preliminary, is of practical importance in fitting naval officers to record and report the results of reconnaissances and surveys and to the various kinds of hydrographic work required by the public service. Officers are frequently called on to report on the approaches to the coasts, bearings and entrances of harbors, &c., and it is often required that sketches of headlands and of shores, as well as other drawings, should accompany such reports.

The safety of ships may depend on the clearness and correctness of these illustrated reports, and a good knowledge of drawing is indispensable to insure clearness and accuracy.

The Board were impressed with the excellence of the line drawings, of machinery, &c., executed by the cadet engineers. Mechanical drawing commences with instruction in stretching paper, testing drawing-board, square and triangles, and proceeds from the drawing of various symmetrical figures, through the conventional practices of the art, to the making of plans, elevations, and sections of machinery from original designs. This is deemed to be an indispensable application of the art of drawing in this institution, especially as regards the departments of gunnery and naval construction, as well as steam engineering.

An exhibition was given of the practical instruction in making and working machinery, beginning with the forming of models in wood, and going through the process of mending boilers, making screws, tools, and all the parts of a small steam-engine, and putting them together.

In all this manual work which is done by the cadet engineers they displayed very creditable skill. They also put together the parts and set in motion the large steam-engine, showing familiarity with the mode of working it.

MODERN LANGUAGES.

Attention is given to the study of Spanish and French, by a full corps of instructors. A change in text-books and other details now in progress, will, it is expected, produce favorable results.

SEAMANSHIP, GUNNERY, AND NAVIGATION.

The knowledge evinced by the cadets in seamanship, gunnery, and navigation is very satisfactory.

It is recommended that the Academy be furnished with samples of the latest designs of guns and carriages, that the cadets may become familiar with their construction and manipulation and be able to use them and instruct others in their peculiarities.

It is highly desirable, also, that the latest models of war ships be furnished for the instruction of the cadets in the details of ship-building.

It would be a decided advantage to the Academy if it were furnished with a steam war ship of moderate size, with the most improved type of machinery and armament, that the cadets may become familiar with everything relating to their profession before leaving the institution.

In the department of ordnance and gunnery the cadet midshipmen have been instructed in making working drawings of guns, &c., from a specification containing all the dimensions.

The Board takes pleasure in noting with commendation the progress that has been made in this course during the past year.

FINANCE AND LIBRARY.

The Board have examined the statement furnished by the Hon. Secretary of the Navy of the appropriations for the Academy for some years past, including the apportionment to the various purposes shown therein.

The administration of the financial affairs of the Academy is approved.

The library is in good condition. We recommend that the usual amount yearly devoted to the purchase of new books be continued for that purpose.

Every effort should be made to keep the library supplied with the latest and most approved scientific and professional works.

ADMINISTRATION, DISCIPLINE, AND POLICE.

The Board find the entire administration of the affairs of the Academy all that could be desired.

The discipline, under the present efficient Superintendent, has been much improved by his order No. 5, of January 12, 1882, establishing "conduct grades." Under this order their privileges depend on their grade. At first the cadets disliked the order, as very few were classed in the first grade; at this writing, the number has reached 92 out of 256 cadets, equal to 36 per cent.

There is since a marked improvement in the assembling of cadets at all formations; very few are now tardy or late. In the general-conduct report there is a great change.

At the semi-annual examinations in January last there were fifteen deficiencies in conduct; at the present June examination but three deficiencies.

A marked improvement is also visible in the class reports, especially in branches in which inattention was the real cause of deficiencies.

As it is necessary to be proficient in all studies and exercises to be in the first grade, many have made up their deficiencies.

This system works on the cadets in various ways: those in the first grade have liberty, by simply reporting to the proper officer, to leave the grounds, as an officer would when leaving a ship. This is esteemed a very high privilege, and some noted cases have passed from the third and fourth grades to the first.

The records of the Academy are kept in such a manner that the past as well as the present status of each cadet, from his entrance into the Academy until his departure therefrom, can be seen at a glance; and the standing of each cadet in his studies and conduct, as well as his adaptability for the naval service, can be shown at once.

SUGGESTIONS AS TO EXAMINATION AND ADMISSION OF CADETS.

Previous to 1852, candidates for admission were appointed before March in each year, and examined between the 20th and 31st May.

We suggest that this plan be renewed, and that those who pass be sent on the annual practice cruise until the academic studies begin in

the fall. It is believed that this preliminary experience at sea would give the opportunity to test the choice of profession made by applicants, and that those who, perhaps, had made a mistake in seeking a naval life would resign before the government had incurred the expense of a costly education to no purpose.

Commending the Naval Academy to your most favorable consideration, and soliciting for it the friendly support of the Congress of the United States,

We subscribe ourselves, your very obedient servants,

S. R. FRANKLIN, *Commodore, U. S. N.*

HENRY L. DAWES, *United States Senator.*

CHAS. W. JONES, *United States Senator.*

JOHN R. THOMAS, *House of Representatives.*

C. B. DARRALL, *House of Representatives.*

HENRY S. HARRIS, *House of Representatives.*

E. D. TOWNSEND, *Brigadier-General, U. S. A.*

P. C. JOHNSON, *Captain, U. S. N.*

AARON F. STEVENS, *New Hampshire.*

WM. A. COURTENAY, *South Carolina.*

N. M. HUBBARD, *Iowa.*

CHARLES WATROUS, *New York.*

Hon. WM. E. CHANDLER,

Secretary of the Navy.

REPORT OF THE ADMIRAL.

WASHINGTON, D. C., November 29, 1882.

SIR: I have the honor to make the following report:

My last annual report being filled with matters which were of interest to the Navy, as regards the building of ships, &c., leaves me little to say on this occasion.

At the last session of Congress no appropriation was made for finishing the monitors on the Delaware and at Mare Island. These vessels, although not first-class, will be when finished at least as good as they were originally.

If finished under a new contract they could, by the introduction of steel surfaces, be given greater resisting power.

Mr. Lenthall, our late able chief constructor, recommended that these monitors be launched and finished at a navy-yard, on such plans as would make them serviceable.

In this recommendation I concur, for we cannot afford to throw these vessels away. What work has been already done to them is well done, and when completed they will serve, in connection with forts, for the defense of our harbors.

Our smaller monitors as a rule are of not much value still in time of war they could be made available to act in connection with fortifications, but they would be useless to contend with foreign vessels of greater speed and improved ordnance.

I made an inspection of the North Atlantic squadron during the past summer, and found the vessels in good order inside, and looking neat and trim aloft—in fact, good representatives of ships of war. Cruising together the past summer has been of great advantage to the squadron in many respects, and I recommend that the practice be kept up. A cruise of the squadron through the West Indies during the winter, in my opinion, would have a good effect.

I recommend that every ship fitted for sea hereafter be attached to the Coast squadron for a few months. It would enable her to get in good order before proceeding on a foreign cruise, and any defects that might be discovered could be remedied at a navy-yard.

I beg leave to call your attention to the ships' boats of the Navy. I had a fair opportunity of comparing the boats of the North Atlantic squadron with those of the French vessels-of-war *Minerve* and *Hussar*, and must say the French boats are in every respect superior to ours.

Commodore Luce brought home in the Portsmouth a French boat which he procured at Brest or Cherbourg. I beg leave to suggest that the board of inspection and survey be directed to examine and report upon this boat, comparing her with the different classes of boats in our Navy, and to make such suggestions and recommendations in this connection as they may deem of interest to the service.

No report in regard to the apprentice system has been sent through me. Commodore Luce, being engaged in other duty, has not had time to prepare a report, and therefore I have nothing on which to base special recommendations.

I will, however, recommend that the general orders relating to the training system issued within the last year be carried out, and that no boys be transferred to the general service until the commanding officer of the Training squadron reports them as fit for such transfer.

I would also recommend that when the training vessels go abroad, they be not allowed to transfer boys to other ships during the cruise, and thereby break up the crews of the training ships, but that the boys be all returned to the United States for inspection by the board of inspection and survey, and such of them as may be found qualified be then transferred to the general service.

An exception to this rule might be made where boys who have been passed might be sent abroad in a training vessel *to be transferred* to some ship of the Navy.

By pursuing a contrary course to the one I have indicated the training system will not be a success.

We have only a small number of boys, and it was never intended that the Navy should depend on them to fill up the vacancies among seamen. It would be as wise to send cadet midshipmen from the Naval Academy to supply the place of lieutenants on board ship.

The training vessels have facilities for instructing apprentices that ships of war do not possess, including a corps of special instructors and a system of daily instruction necessary for transforming raw boys into intelligent seamen.

After a two years' course of special instruction a boy, if he has any aptitude for the service, can be transferred to the Navy proper, and should be sent to sea in vessels destined for foreign service. There are certain requirements of law which cannot be complied with in less time than two years.

The most that can be expected from our limited supply of boys, is the introduction of a good set of petty officers into the Navy. This should be kept in view all the time, and I earnestly recommend that the endeavors of the commanding officer of the Training squadron should be encouraged by the department.

The 8,000 seamen allowed by Congress should be depended upon for manning the Navy, and the boys should not be taken from their school of instruction to fill vacancies.

There would be plenty of men to man our small Navy if reductions were made in the crews of receiving ships, vessels laid up in ordinary, and fewer men employed in duty outside the Navy.

For the first time since it was established has the Training squadron been conducted on a general system. It struck me as well conducted, and I only regret that the cruise was not carried out as originally intended, viz, bring all the boys back to the United States, have the ships inspected by me on the 10th of October in conjunction with the inspection board, award the medals for good conduct and proficiency, permit those of the boys who deserved it to go home and see their friends, and then transfer those recommended by the commanding officer of the Training squadron to the general service.

I beg leave to draw your attention to the torpedo-boat Alarm. Last fall the vessel broke her steering gear and a new and stronger apparatus was made for her at the Washington navy-yard. The Alarm was sent to Norfolk, where she could be docked and the necessary examination and repairs made. It was found that a shaft connected with the cog-wheels was broken, and several teeth of the cog-wheels were considerably worn, notwithstanding which the vessel continued to run from eleven to eleven and a half knots per hour under ordinary steam pressure, proving the superiority of the Mallory propellor, which for small vessels, iron-clads for harbor defense, torpedo boats, &c., is unequalled.

Since the Alarm was put out of commission nothing has been done to her. She is fitted with bronze metal valves and flaps under water for the torpedo bars, and these will soon be destroyed in salt water by galvanic action.

In order to save these expensive fittings from destruction I recommend that the Alarm be at once placed in fresh water, although I think the best thing to be done would be to repair the machinery at once, correcting the mechanical defects which have been discovered, and place the vessel in commission. This is the only way to find out the value of the invention.

I beg leave to draw your attention to a letter of mine on this subject, written to the department in the early part of the fall.

The board of inspection have had great difficulty at times in inspecting vessels coming from sea in the winter months, owing to extreme cold weather. When everything is frozen there can be no exercises of yards, sails, boats, &c., and in single-decked ships no exercises of guns. In such cases vessels appear to great disadvantage, and officers and crews cannot do themselves justice.

There has always been a spirit of emulation among commanding officers to pass a creditable inspection on returning from a cruise, but the best regulated ship could hardly do this in a northern port in winter, neither can the inspecting board do their duty fairly by the ships. I would therefore recommend that all ships returning to the United States from a cruise between the 10th of October and the 16th of April, be directed to repair to Hampton Roads and there report to the department.

The inspecting board would seldom find difficulty in giving every vessel a thorough inspection at Hampton Roads, which would be satisfactory to all concerned.

TORPEDO STATION.

The school of torpedo practice is good enough as far as it goes, but the system should be extended to include instruction for seamen, gunners, and apprentice boys, for which purpose certain days in the week should be set apart. A small steam vessel should be stationed at Newport as a gunnery ship, with the steam launches necessary to carry on the torpedo practice. The Minnesota is too large for this purpose and too expensive, therefore she should be laid up.

I send herewith an extract from a private letter received by me from Commodore Luce when he was abroad last summer. It is instructive as showing what the British naval authorities, the most progressive in the world, are doing to keep their navy up to high-water mark. They recognize, by their practical works, that in the superiority of their navy lies the safety of the British Islands, and they leave nothing untried to keep the service, and all connected with it, in the highest state of efficiency.

While we are devoting ourselves to theories, which we never put in practice, the English navy is constantly testing those theories, so that in time of war they will not likely make any important mistakes.

In Commodore Luce's letter many things are mentioned which will be instructive to the officers of our Navy, and interesting, no doubt, to yourself. There is not a point mentioned in the letter that does not apply to our Navy.

The present unsatisfactory condition of our Navy, as regards the stoppage of promotion for many years, would seem to suggest that some remedy, such as is suggested by Commodore Luce, be applied, and that those officers who do not attain the high standard of excellence required in the British navy should give place to those better qualified.

Great Britain has everything at stake and relies solely on her navy to protect her from the combined invasion of all Europe. We have as much or more at stake, for we have three thousand miles of coast at this moment almost unprotected, and if we should be suddenly involved in war we should need every officer in the Navy to thoroughly understand everything connected with his profession.

The following is the extract from Commodore Luce's letter, which, although of an unofficial character, I consider too valuable to let remain in obscurity:

The New Hampshire is now receiving an average of about one boy per week, and has not enough to-day to fill up the Jamestown. She ought to have on board at least 450 boys, instead of which there are but 130. It is obvious if some system of recruiting be not devised the bottom of our training system must soon drop out.

We know perfectly well from past experience that there is plenty of the right kind of material in the country to fill up the New Hampshire if we will only take the trouble to seek for it. We know, too, that New York, Philadelphia and Baltimore are the best places for recruiting, and that liberal advertising is necessary to call attention to the recruiting offices.

There seemed to be an idea that desertions and discharges of apprentice boys was something peculiar to our service, but that means of depletion is not unknown to the English training service.

In 1857 the English navy lost from one cause or another 1,094 boys, having entered 3,911; in 1862, 976 boys, having entered 3,342; in 1867, 634 boys, having entered 3,220; in 1872, 567 boys, having entered 3,187; in 1875, 351 boys, having entered 3,079. In the year ending December 31, 1881, there were 1,898 entries, the losses amounting to 316.

The annual yearly waste of boys is estimated at 18 per cent. When we consider the ease with which boys can find employment in our country as compared with England, it is not surprising that we lose so many.

In the matter of hygiene I cannot say much in favor of either English or French training systems. They crowd too many boys on board their ships, large as they are, and the ships are not sufficiently ventilated. By placing 500 boys on board of one ship with hatches and ports closed during inclement weather, the growing boy, requiring, as he does, more air and space than the adult, must necessarily take into his lungs quantities of vitiated air every night. This cannot fail to retard development into vigorous manhood. It is for this reason that I was so anxious to have a thorough system of ventilation applied to the New Hampshire. For this reason, too, I asked for a special appropriation.

I did not realize till after visiting the English and French training ships how much there was still to be done to the New Hampshire. By cutting very large square air ports (more, indeed, like gun ports) on the orlop deck they obtain nearly as much light and air on that deck as on the gun deck, and every available space in the ship is utilized. In England especially they pay great attention to the comfort of both boys

and men. Games and reading matter are liberally supplied. I confess to having been surprised to find an excellent full-sized billiard-table attached to the ward-room of the Duke of Wellington, flag-ship of Admiral Ryder, commander-in-chief at Portsmouth. You may imagine then my astonishment to find in the recreation room of the chief petty officers of another ship, the *Excellent*, not only a billiard table, but bagatelle tables, chess, checkers, backgammon, &c. The mess-room of this class of petty officers (on board the *Excellent*) was fitted up better than many ward-room messes I have seen in our Navy. In the forward part of the lower gun-deck was a canteen, where the men could draw, under certain rules, their beer, tobacco, biscuits, cheese, sardines, all sorts of fancy goods and luxuries for the table, such as sailors of the new school would be likely to need. Everything was of the best quality and at the lowest prices. The beer I was assured was better and cheaper than could be purchased at the average bar on shore. In their messes the traditional tin pot and tin pan has disappeared.

In training ships as well as in the cruisers every mess has its outfit of crockery; and knives and forks are considered indispensable. Their berth deck messes have an air of comfort that is totally unknown to our ships.

In short, the modern English man-of-war is made, as far as practicable, a comfortable home for the seamen, and consequently the men are better contented to live on board ship. Leave is granted very liberally, too. Of the hundreds and hundreds of men-of-war sailors I have seen on shore at Plymouth and Portsmouth, both in the daytime and at night, very few were under the influence of liquor, while their neat and tidy appearance both on board ship and on shore is remarkable. There is no earthly reason why we should not attain an equal degree of excellence.

I do not say the English training service is perfect; on the contrary, their system is faulty in several important particulars, but when we avoid their errors we can certainly emulate all the good in the example set us.

It is quite true that "virtue is its own reward," and an approving conscience is all the need of praise that one should ask in the performance of duty, but the soul of military and naval life lies in every one doing much more than his duty, hence the approving conscience, however great an incentive in private life, fails utterly as a motive power with the military man who would achieve eminence. The naval administrations of both England and France, fully understanding this and not being in a position to allow their respective navies to fall to a dead level of mediocrity, hold out preferment as the necessary dynamic force. An admiral's flag in the British navy is a prize well worth contending for. It brings with it honors and emoluments of a most substantial character. The table money alone, to take a purely mercenary view, of an English admiral commanding a foreign squadron (\$7,947 per annum) exceeds the sea-pay of a rear-admiral of our service (\$4,000). To reach flag rank, however, a captain must have served six years sea service, three of which may have its equivalent in harbor service, but the first three years of such period must be sea service in command of a ship of war of sea, and by a later regulation he must have commanded an iron-clad in commission for sea service. The best captains only, those who are fully up to the times in gunnery, torpedoes, steam, &c., are selected for these commands; consequently they are the only ones who reach flag rank.

This is the secret of the great emulation among officers of all ranks. Both at Plymouth and at Portsmouth the activity which everywhere prevailed suggested the imminence of a great war; gunboats frequently going outside for target practice at long ranges; torpedo-boats practicing with dummy torpedoes; yachette boats, armed with the Whitehead torpedo, darting around like mad; classes of petty officers under instruction in laying out torpedoes and counter-mines, and working with torpedoes generally; target practice from the gunnery ships; rifle practice on shore by squads of seamen and apprentice boys; target practice with Hitecock, Gatling, and Nordenfeli guns; sharp-shooter practice at fixed targets, moving targets, and targets representing a man running from cover to cover, the school of seamen divers—all this going on incessantly.

The same activity prevails on board ship. Boys are constantly exercising at one thing or another, gunnery drills going on with the heavy guns; lieutenants under gunnery instruction, mixed up with the blue jackets as part of gun's crews and drilled by the seaman gunners, while captains and commanders stoold to pull and haul stood by to watch the drills and pick up points. On board the *Excellent* and the *Vernon* (the torpedo school ships) the study-room was frequented by admirals (there were two of that rank on board the *Vernon*), captains, and commanders. One cannot fail to perceive that everybody is thoroughly in earnest.

It is the same at the naval college, Greenwich, which is open to all ranks. The reports from the latter place are very significant. The lieutenants and sub-lieutenants who attend there are said to be larger and far more conscientious students than the average college man. The motive power is greater. These officers who do not go in for this kind of work drop astern in the race and soon find themselves on half pay.

Promotion to fill the higher grade by selection is certainly open to objection, but it vitalizes the service. I do not know that it is one bit more liable to abuse through political influence in our country than in England. But it is not necessary to introduce promotion by selection if another be adopted, viz, to open a post-graduate course for our younger officers and to select from the best of these the officers for the best positions, and finally for command.

Those officers who have not commanded ships a certain length of time should not be promoted to flag rank. Lieutenants not promoted at a certain fixed age should be retired. Commanders should be required to serve in command of a ship in commission for sea service for a certain term of years, and if not promoted at a certain age to be retired. The same rule should apply to captains and commodores.

Some such system, which is really "promotion by selection" in disguise, but yet conformable to the great law of nature, "the survival of the fittest," is necessary to inspire more life in the service.

Our present system of commands reverses the long-established rules of military precedence, and is contrary to common sense. "Old men for counsel, young men for the field," was one of the maxims of the wise Greeks, but we send our oldest officers to command squadrons—men who have reached the closing days of their professional career; so old, indeed, that most of them retire before the expiration of their term of foreign service.

The next class of officers on the descending scale, the commodores, who, by their age and experience, are best qualified for active service at sea, are assigned to the inactive duty of commanding shore stations—positions held in reserve in all other navies as a sort of reward for the higher officers who have finished their career afloat, and who naturally seek the relaxation of service on shore, where their long and varied experience may be made available. Thus the command-in-chief of Portsmouth, England, is the prize which the English admiral looks for after the toils of the sea are over. In that high position he enjoys the rewards of an honorable and successful career, and retires either with special honors bestowed by his sovereign or an appointment to the still higher position of admiral of the fleet. A similar rule obtains in France. Our naval stations are given to junior commodores who have never hoisted their pennants at sea.

Going one step further down the scale, we select young men for counsel by calling our captains and commanders to preside over the bureaus of the Navy Department. It is highly gratifying that we can find officers of the grades of captain and commander so eminently qualified for these high places, but at the same time it is a very severe commentary on our method of making flag officers that few can be found worthy of the responsible position.

Our visits to the English and French ports have been extremely instructive and suggestive. My hope now is that we may be enabled, by the cordial support of the Navy Department, to profit by our experience, and bring our training service and gunnery ship up to what they ought to be.

The above remarks may offer a solution to the vexed question now agitating the Navy, owing to the stoppage of promotion, and suggest a more stringent observance of section 1496 Revised Statutes.

The laws of Congress provide the best methods of securing efficiency, by a proper examination of every officer to ascertain his fitness for promotion. If these laws are strictly enforced, the Navy will be brought to a higher standard, and those officers who are indisposed to keep up with the requirements of the service will fall astern.

My own opinion is that it is better to trust to the proper enforcement of existing laws than to resort to a doubtful system of scrambling for places in the Navy, subjecting officers who have in their day performed their duty, and who have grown old in the service, to mortification.

Officers who are on the active list and who cannot perform their duties should expect to be retired according to the laws providing for such cases, but care should be taken that no favoritism should by any possibility be introduced into the Navy. Every officer when he goes on the retired list should feel that after a lifetime of varied and faithful service he is retired without humiliation.

Respectfully submitted.

DAVID D. PORTER, *Admiral.*

Hon. WILLIAM E. CHANDLER,
Secretary of the Navy.

REPORT OF THE SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR,
Washington, November 1, 1882.

SIR: I have the honor to submit the following summary of the operations of the Department of the Interior during the past year, together with such recommendations and suggestions as in my judgment will promote the public interests.

INDIAN AFFAIRS.

The report of the Commissioner of Indian Affairs shows no disturbance among the Indians at this time, although during the past year there has been much dissatisfaction, and in some sections open outbreaks.

In April last, a large number of Indians left the San Carlos Agency, in Arizona, committed many outrages on the people of that Territory, killing the settlers and destroying their property, and finally made their way into Mexico, where they were attacked by Mexican troops and large numbers killed. These raids, occurring as they have for many years annually or oftener, have greatly retarded the settlement and development of what promises to be one of the richest mineral regions of the country.

These raids find the people unprepared for war, and the settler at his daily work is not prepared to cope with his wily foe, who is better armed than he. Since the late outbreak, much dissatisfaction has been expressed by the people, and threats have been freely made that the people will take means to guard against the repetition of the occurrences of last spring, and there is danger, unless the Indian can be restrained, that the people will attempt to redress their wrongs by the destruction of the Indians; and, if this should occur, the innocent and guilty will alike suffer for the crimes of a few. Justice to the Indian and settler alike demands that vigorous means should be taken to prevent these frequent outbreaks by Indians supported by the government, and the marauding and murdering parties should be severely dealt with when taken prisoners, disarmed, dismounted, and punished for their crimes.

A comparatively small number of the San Carlos Indians have been guilty of crime, yet the few criminals not only keep the other Indians in a state of turmoil and confusion, but actually endanger their existence. If these evil-disposed persons cannot be kept on the reservations

by the ordinary agency means, they should be removed to some place where their evil influences cannot retard the work of civilizing the more peaceably inclined. There will be no permanent peace with these Indians until they are disarmed and dismounted. They have no use for guns, for the game is scarce, and the government furnishes them ample to live on without resorting to the fruits of the chase. Their ponies are useless, except to ride about the country, and are a great hindrance to their civilization; for if they did not have the ponies they would establish themselves in a permanent home.

At the last session of Congress there was inserted in the appropriation bill a provision for the removal of the Mescalero Apaches to the Jicarilla Agency, on the northern line of New Mexico, and the consolidation of the two agencies, provided the consent of the Indians could be obtained to such removal. The Indians refused to remove and were therefore left at the old agency. I do not think the removal ought to be made, although the consolidation of the two agencies I consider desirable, either at the Mescalero Agency or by the removal of the Jicarillas and Mescaleros to San Carlos, and the consolidation of the first two agencies with the last.

DISARMING THE INDIANS.

One great hindrance to the civilization of the Indian has been his passion for war and the chase. To the Indian there have been but two paths to preferment, that of war and the chase. His standing in his tribe depends on his success in one or the other of these pursuits. If he is a successful hunter, he has a measure of fame; if a successful warrior, he accumulates riches and gains great renown, not only in his own but neighboring tribes. All honors that an Indian can receive at the hands of his tribe are his. He refuses to work, without being indolent; for the patience, perseverance, courage, and energy displayed in war and the chase disprove the assertion, so often made, that the Indian is too lazy to work.

The frontier farmer who subdues the forests, tills the soil, and makes the "wilderness blossom like the rose," makes no greater physical exertion than his warlike Indian neighbor. In all our dealings with the Indian we have fostered his passion for war and the chase. We have allowed him to procure arms and ammunition, and in many instances have assisted him so to do. The highest ambition of an Indian is to own a gun, the next to have an opportunity to use it. He will part with anything he has to acquire it, and, when obtained, it will be the last thing he will dispose of. With its possession comes the temptation to use it. Well armed, he is a warrior waiting for an opportunity to acquire fame and renown in his tribe. On the slightest provocation he slays his adversary. He kills the traditionary enemies of his tribe, whether white man or Indian, without provocation, either for gain, to gratify his passion for blood, or to secure the fame that awaits a successful warrior.

He is **not** restrained by law, human or divine, and has not the moral capacity to understand that it is a crime to kill the unoffending and defenseless. If a white man wrongs him, he wreaks his vengeance, not on the wrongdoer alone, but on any white person who falls within his power. He will wait months and years, and when the opportunity is presented, he will wreak his vengeance on the innocent and unoffending. In all this he has no upbraidings or compunctions of conscience, for his conduct is consonant with Indian law and Indian morals. We wonder at his ferocity, forgetting that he is a savage. Armed and equipped, he is proud, arrogant, and dangerous; unarmed, he is humble, timid, and harmless. Nearly all the Indians with whom we have had any difficulty, or with whom we may anticipate trouble, are armed, and most of them well armed.

Feeble efforts have been made from time to time to prevent the sale of arms and ammunition to the Indians. Yet the Indians have but little or no trouble to procure arms; the limit has only been the limit of their ability to pay for them. The government has armed at various times scouts and police with improved guns, which in very many cases have quickly found their way into the hands of Indians, who, if not hostile at the time, have soon become so under the stimulus of a good gun and plenty of ammunition. Improved Winchester rifles have been furnished to the police, who are supposed to do police duty only on the reservations. If the Indians are doing only police duty, they do not need and ought not to use Winchester rifles. If it is necessary that they have fire-arms, the policeman's pistol, used by the policemen of our cities, will answer all purposes, and if the pistols fall into the hands of hostile Indians they will not be dangerous to the settler. No Indian will venture out on a raid armed only with a pistol; or if he does, as a raider he will be comparatively harmless to what he is with his Winchester rifle. As soon as it can be done without creating undue excitement among them, they ought to be disarmed and the temptation to go on the war-path taken away. They have no further use for their guns, for the game is so scarce in most sections that it forms but a small portion of their food, and the government provides or should provide an ample supply for their support without their resorting to the fruits of the chase.

We ought not to deprive them of their guns without compensation, except as a punishment for crimes. I have no doubt that most of the Indians can be disarmed by agreeing to pay them for their guns. They should have their title to the land secured to them and reasonable provision made for them, so that they need not fear that they will be removed or compelled to resort to the chase for a living, and they should surrender their guns and take in their stead cattle, sheep, or the implements of agriculture. When the Indian can be compelled or persuaded to give up his gun, he will be ready to devote his energies to earning a living, instead of wasting them in the chase or in raids on the frontier settlements. Give him a plow in place of his gun and a hoe in place

of a tomahawk, and impress on his mind that he is now with them, in part at least, to earn his own support, and an important step has been taken towards his civilization; for labor has been, and ever will be, the great agent of civilization of the human race. Without labor we cannot hope to civilize the Indian, and we can do no greater kindness to the race than to induce them to labor. This we shall find it difficult to do by persuasion, or even compulsion, while they have arms in their hands.

I therefore suggest that the Commissioner of Indian Affairs be authorized to adopt some system of disarming the Indians, and to that end to purchase the arms of the Indians on fair terms, and that suitable appropriation be made, out of which payment shall be made, and that the sale of arms or ammunition to Indians holding tribal relations be prohibited under severe penalties.

INDIAN TITLES.

Much has been said of late concerning the title to Indian lands. It has proved the subject of elaborate discussions in Congress, and is apparently no nearer a determination than it was years ago.

It is said that the Indians are demanding land in severalty; that is, that each individual Indian is desirous that his due share of the whole land of his tribe shall be set apart for him, and he receive a patent therefor.

This claim was made for the Indians in the year 1646, and Elliott, the apostle of the Indians, procured the allotment of land and the settlement of the Indians on such allotments; but they did not remain on them, and the system was for a time abandoned. It has been renewed at various times, and very large numbers of treaties made with the Indians have contained provisions for such allotment on the request of the Indians. Very few Indians have availed themselves of this privilege, and those who have done so have in most cases disposed of their lands as soon as they could.

The right of property, as recognized by an Indian, is the right in his clan. All right to the soil and the productions thereof inhere in the clan, and he who takes land in severalty, or cultivates the common soil to the exclusion of others, is guilty of a crime against Indian society.

The savage Indian objects to land in severalty, because he has been taught, both as a question of political economy and Indian morals, that it is a crime to divide the land and allow one man to own it to the exclusion of another. The more enlightened Indians object to it because they know that when the limitation against alienation has expired the great mass of Indians will part with their title and become landless vagabonds. For this reason the New York Indians and the civilized tribes of the Indian Territory refuse to receive land in severalty. No greater misfortune can befall the Indian race than when their lands are allotted and patents issue therefor, even though the period of alienation should be fixed at twenty-five years, as has frequently been proposed.

Notwithstanding the Indian polity demands that the land be held in common, the fields are not tilled in common, but each laborer selects his piece of land and tills it with as much safety from intrusion from his neighbor as if he had a patent.

That the Indians are dissatisfied with the titles given cannot be denied, and that they are demanding a title from the government there is abundant proof. A title to the tribe, such as was given to the five civilized tribes of the Indian Territory, is consistent with Indian polity and insures to the Indian exemption from the invasion of aggressive whites as well as from interference by the government, which is more to be feared by the Indians than even the invasion of the "whites."

To this end, that the Indians may be secure in their titles and have the assurance that they will not be removed, except by their free consent, I recommend the passage of a law to give each tribe a patent for the land the government has guaranteed to it, leaving the Indians to determine the question of allotment for themselves. This system has given entire satisfaction to the civilized Indians of the Indian Territory, and is consonant with Indian law and religion.

TRIBAL RELATIONS.

Much has been said of late of the evils of the tribal relation, and efforts have been made to destroy this system and to treat the Indian as we treat the individual white man. The tribal relation is not without its objections, yet it is the best and only system adapted to the wants of the savage, or even partially civilized Indian, and its maintenance, for a time at least, is essential to success in attempting his civilization.

The jurisdiction of the United States over the Indian is limited to the Indians remaining members of a tribe. When the tribal relation is once destroyed they will be beyond the protecting care of the United States, and the intercourse laws will be without force. (See *Kansas Indians*, 5 Wallace, page 737.)

While it is necessary that the tribal relations be continued to enable the government to afford to the Indians the protection they need, until by education they are enabled to compete with their aggressive and avaricious white competitors, it is not necessary that the government in its dealings with them should treat them, as it has done, as independent nations, or even as dependencies. The treaties heretofore made that are found to be injurious to the Indians should be modified by the legislative authority of the government, having due regard to the necessities of the Indians, and what is needful legislation for the Indians ought to be determined by Congress and not by the Indians themselves.

The government should assume the control of Indian affairs, legislating for them as it legislates for whites under its exclusive control. In all questions touching property rights the same rule should be applied to the Indians that is applied to the white man, and the obligation of

the government with relation to stipulated payments or gratuities to the Indians should be treated in the same spirit that we treat the obligation that we denominate the public debt.

All legislation should look to the ultimate dissolution of the tribal relation, but not until by education and discipline we have trained the Indians to dispense with that relation.

RESERVATIONS.

The reservation system like the tribal relation is not without objection, and yet in the present condition of the great mass of the Indians, cannot be dispensed with. It will not do to treat the uncivilized Indian as capable of taking care of himself, even if he has a patent for 160 acres or more of land. These reservations ought to be sufficient for the support of the Indians who reside on them, with a reasonable allowance for increase of the Indian population, but they should not be disproportionate to the wants of the Indians. Very many of these reservations contain large areas of valuable land that cannot be cultivated by the Indians, even though they were as energetic and laborious as the best class of white agriculturists. All such reservations ought to be reduced in size, and the surplus not needed ought to be bought by the government and opened to the operation of the homestead law, and it would then soon be settled by industrious whites, who, as neighbors, would become valuable auxiliaries in the work of civilizing the Indians residing on the remainder of the reservation. When thus reduced, the government should issue to the tribe its patent, vesting in the tribe the title in fee simple as fully as it does the title to the 160 acres given to the settler.

CRIMES.

My predecessor called attention to the necessity for legislation for the detection and punishment of crime on reservations, whether committed by white men on Indians, or Indians on white men, or by Indians on each other. I fully concur with him in his views therein expressed, and I trust that some legislation on this subject may be had at the approaching session of Congress. There should also be further legislation to punish the invasion of the Indian Territory by unauthorized persons. The penalty consists of a fine only, and the imposition of a fine on people who are without visible means of support is, in effect, no punishment at all. To the fine now imposed by law, there should be added imprisonment.

TIMBER AND MINES ON RESERVATIONS.

The Commissioner of Indian Affairs has called attention to the law concerning the rights of the Indians to cut and remove timber from the reservations. In the case of *Cook vs. the United States* (19 Wallace), the Supreme Court of the United States held that Indians could not legally cut for sale timber growing on their reservations. Under this decision the

cutting of growing timber, the mining of coal, as well as the precious metals, is waste. The Indians ought to be allowed to do whatever a good business man would if the reservation was his under like circumstances. If the Indians will mine coal, cut timber and manufacture it into lumber, they ought to be allowed to do so. Whenever and wherever an Indian shows a disposition to work he ought to be encouraged. The Secretary of the Interior should have authority to grant to the Indians permits to cut timber and mine coal, and to dispose of the same.

STOCK-RAISING.

At least one-half of the Indian reservations are better adapted to stock-raising than agriculture, and it is less difficult to induce an Indian to engage in herding than in agricultural pursuits. If ten years ago suitable provision had been made for furnishing herds at such agencies as are especially adapted to stock-raising, the Indians at such agencies would now be largely independent of government aid. At most agencies the Indians will, under the direction of the agent, take care of the stock. In a few instances it may be necessary to provide a white foreman to teach the Indians how to take care of the herd. In some cases the herd should be the common property of the tribe; in others the stock should be parceled out to the Indians who are willing and able to take care of the same. When herds are provided for the tribe it should be with the ultimate purpose of distributing the same among the Indians as soon as they furnish proof of their willingness and ability to take care of the stock. The possession of herds and flocks will not only benefit the Indians by providing subsistence, but will compel them to abandon their nomadic habits.

In 1869 the Navajo Indians of New Mexico had about 1,000 sheep and goats. In November of that year the government furnished them with 14,000 sheep and 1,000 goats, at a cost of \$30,000. The report of their agent shows that this number has increased to 900,000 sheep and 200,000 goats. In 1881 the agent reported the wool-clip at 1,000,000 pounds, and that 200,000 pounds had been manufactured into blankets. These Indians, numbering 16,000, by means of this small outlay, in thirteen years have become self-supporting, the total appropriation for their subsistence for the fiscal year 1883 being only \$5,000. From 1870 to 1882, inclusive, the total appropriation for their support was \$1,279,445, or an annual appropriation of over \$98,000. During the years 1870, 1871, and 1872 the appropriations for their subsistence amounted to a total of \$582,375. During the years 1881, 1882, and 1883 the appropriations for like purposes amounted to a total of \$58,000; and hereafter there will be no necessity for an appropriation for their subsistence. No better illustration can be had of the wisdom of that policy which looks toward aiding the Indian to support himself instead of supporting him at government expense.

The Commissioner reports that there is due these Indians under the

seventh article of the treaty of June, 1868, the sum of \$156,651.74. To carry out the provisions of Article 7 of this treaty Congress appropriated \$200,000; of this sum \$53,348.26 was expended, and the balance, \$156,651.74, was carried to the credit of the surplus fund. The Attorney-General has decided that appropriations of this character are exempt from the operation of the surplus-fund act. This appears to be a just claim against the government, and I concur with the Commissioner in recommending that this amount be re-appropriated, and that it be expended according to the provisions of Article 7 of said treaty. It will prove a great stimulus to these Indians who are making such praiseworthy efforts at self-support.

THE NORTHERN CHEYENNES.

In 1877 the Northern Cheyennes were removed to the Indian Territory. Much dissatisfaction existed at the time of the removal, and it has continued ever since. These Indians have always felt that in their removal they have been greatly wronged, and in 1878 a band of them attempted to return to their old home. After leaving the Indian Territory they committed many outrages on the people of Kansas, and were in the end nearly exterminated by the U. S. troops. Those remaining have ever since demanded to be removed to their former home or its vicinity. Secretary Schurz, under whose order the removal was made, declared in his Annual Report of 1880 that he regretted such removal.

In October, 1881, Little Chief and his band, 235 in all, left the Cheyenne and Arapahoe Agency and proceeded to Pine Ridge, Dakota; others to the number of 82 joined them, and they are all at the Pine Ridge Agency. There are now remaining in the Indian Territory 684 of the Northern Cheyennes, who are not only anxious but determined to join their kindred in Dakota. They declare that they will go without the consent of the Interior Department, if such consent is much longer withheld. I do not believe these Indians will be satisfied in their present home, and I believe it will be for the interest of the Indians and the government alike to return them to their former home in the Territory of Dakota. The Sioux at Pine Ridge Agency have expressed a willingness to receive the Northern Cheyennes and allow them to live at that agency. This I understand will be agreeable to the Cheyennes, and I therefore recommend that such removal be authorized, and a suitable appropriation be provided for this removal and their support at such new location.

JOSEPH'S BAND OF NEZ PERCES.

The number of this band now in the Indian Territory is 90 men, 146 women, 54 boys, and 33 girls, making a total of 323. Of these who surrendered at Bear Pan Mountain, Montana, in October, 1877, 431 were transferred to Fort Leavenworth at one time, and a few others, subsequently captured, were also taken to that post. In July, 1878,

410 were turned over to the Interior Department and taken to the Indian Territory. Notwithstanding the births since that time, the total number has decreased to that given above.

Believing that the war, which exiled these people from Idaho, was the result of a failure of the government to keep its plighted faith, as a member of the United States Senate I opposed their removal against their will to the Indian Territory. I considered such removal a violation of the terms on which they had surrendered. They had been forced into war, and contending with an army far outnumbering them, had made a fight almost without a parallel in the annals of history, extending over a district of more than 1,300 miles, and then, though entrenched in the rocks where they could not have been dislodged without great loss of life to the Army, as well as themselves, surrendered, as Joseph says, because he did not want any more lives sacrificed.

General Miles, the officer to whom the surrender was made, says, in a communication addressed to the President in February, 1881, that he informed them that it was the design of the government to place them upon what is known as the small Nez Perces reservation in Idaho, and he believes a due regard for his word, the good faith of the government, and every other consideration require that his promise given the Nez Perces at that time be made good. He further speaks of the hardships suffered by the Nez Perces in consequence of their removal to the Indian Territory, and recommends that they be returned to Idaho.

I concur in these recommendations, and recommend that provisions be made to carry them out.

The Nez Perces have changed very much in manner of living and style of dress since going to the Indian Territory. Nearly or quite all of them have adopted citizens' clothing. They have an organized church—Presbyterian—of over one hundred and fifty members; have been industrious, and ready to respond to any requirements of the department. Their advancement in civilization has been such that it is not believed any trouble would follow their return to Idaho. Their faith in the ultimate fulfilling of the promise made them of being returned to that country has been a strong incentive to them in the advancement they have made. Some assistance by the government would be necessary in helping them to make a commencement after reaching there, when they would be self-supporting, as those of the tribe now there are.

CIVILIZATION FUND.

From July, 1877, to July, 1881, there was placed to the credit of this fund the sum of \$715,000, derived from the sale of certain Indian lands in Kansas. Of this sum \$500,000 was expended in the establishment and support of schools, and the remainder in the purchase of wagons, farming tools, stock, &c., with the exception of about \$4,800 now on hand.

It will be seen that this sum has been treated as a contingent fund,

and was drawn on in all cases where, in the judgment of the Secretary of the Interior, the money could be profitably used in the work of civilizing the Indians. It will be noticed that the annual expenditure from that fund was something over \$175,000. It cannot be doubted that the use of such fund has greatly advanced the cause of Indian civilization, and it is doubtful whether any appropriation of equal amount for specific purposes has been as beneficial as that fund.

In making estimates as to the cost of greater efficiency in the school service it must be borne in mind that not less than \$125,000 per annum was used from that fund in the support of schools. It is very difficult to estimate each year for the wants and needs of the Indian service. A liberal contingent fund should therefore be provided, to be used, in the discretion of the Secretary, whenever, through inattention, neglect, or ignorance of the necessities of the case, proper provision has not been made.

PERMANENT FUND FOR SCHOOLS.

The sums to be appropriated for Indian education ought to be fixed, and not dependent on the action of Congress at each session, and I therefore recommend that certain incomes be set apart by law to be used as such fund. The net receipts of the sales of public lands during the last four years have amounted to \$14,356,877.77, or a yearly average of \$3,589,219.44. During the last year such sales amounted to \$7,189,859.89. It cannot be supposed, however, that the sales will be as large during the next four years, and they will doubtless grow less each year for many years to come. The moneys arising from such sale would at least furnish a fund as the basis of such school fund, and I therefore recommend that the moneys received from the sale of public lands and the fees in excess of the expenses of such sale be set apart as a permanent fund for the education of Indian children, and to this there should be added a sum sufficient to educate the number of children that it is thought advisable to put in the manual-labor schools.

The act making appropriation for the current and contingent expenses of the Indian Department, approved May 17, 1882, requires the inspector of Indian schools to—

report a plan for carrying into effect, in the most economical and efficient manner, all existing treaty stipulations for the education of Indians, with careful estimates of the cost thereof; also a plan and estimates for educating all Indian youths for whom no such provision now exists, and estimates of what sums can be saved from existing expenditures for Indian support by the adoption of such plan.

I herewith submit his report.

The Secretary of the Interior was authorized by said act—

to cause to be constructed at a point in the Indian Territory, adjacent to the southern boundary of the State of Kansas, and near to the Ponca and Pawnee Reservations, and upon a section of land suitable in quality and location for the industrial purposes of said school, which section of land is hereby reserved for said purpose, a building suitable in size and convenience for the instruction and care of one hundred and fifty Indian children, and shall cause to be instructed therein, in the English language and in in-

dustrial pursuits, the children of such of the Indian tribes located in the Indian Territory as are least provided for under existing treaties and laws.

The location of such school has been made after careful examination of the country by the inspector of Indian schools. He recommends that there be added another section of land, and in this recommendation I concur.

The Secretary was also—

authorized to cause to be constructed, at some suitable point on the Sioux Reservation, in Dakota Territory, and upon a section of land suitable in quality and location for the industrial purposes of said school, which section of land is hereby reserved for said purpose, a building suitable in size and convenience for the instruction and care of one hundred and fifty Indian children, and shall cause to be instructed therein, in the English language and in industrial pursuits, the children of the Indian tribes located on said reservation, unless he should think best to establish such school at the late Pawnee Agency, in the State of Nebraska.

After a careful consideration of the advantages of a school in Nebraska the school was located at the Pawnee Agency. The old school building at this point will be useful when repaired. At this point the government owns but 160 acres of land, on which the old building stands. An appropriation was made for 160 acres more. The inspector of Indian schools recommends the purchase of 160 acres additional, making 480 acres in all. In this I concur.

These two schools will accommodate about 300 children, and should be enlarged to accommodate in each school not less than three hundred. It is economy to put from three hundred to four hundred children in one school.

INDIAN EDUCATION.

The subject of Indian education has been one of interest to the people ever since the early settlement of the country. The early settlers devoted much time and money to the education of Indian youths. They collected large sums of money and established schools exclusively for their benefit. There appears to have been no difficulty in obtaining pupils, and a number of Indians are reported as having graduated with honorable distinction from some of the better class of such schools. This effort seems to have been confined principally to the education of the young men with the purpose of making teachers of them, with the expectation that they would ultimately organize schools in the wilderness for the education of the mass of the Indian children who could not be brought under the influence of white teachers.

It was supposed by the friends of the cause of Indian education that the knowledge of letters ought to precede all other knowledge of civilized affairs, and so but little effort was made to do more than instruct them in the knowledge of books and acquaint them with theological doctrines that even their well-informed white neighbors did not understand, and concerning which they did not attempt to agree.

Little or no effort was made to educate them as laborers. The Indian children were not behind their white associates in committing to mem-

ory the contents of their books, and all accounts agree that they made commendable progress in their literary pursuits. The same success did not, however, attend the efforts made with reference to their religious education. This effort to civilize them through a literary and religious education, as might have been supposed, proved a failure. This system of Indian education, after a trial of nearly two hundred and fifty years, has produced but scanty results. No intelligent effort appears to have been made to educate the masses of the Indian children, for the attempt made by the government through a few worthless agency day schools cannot be designated as an "intelligent effort," and appears to have been of little or no benefit to the Indian race. Exception, of course, must be made to the praiseworthy efforts of the civilized Indians of the Indian Territory to educate their children at their own expense.

Within the last ten years much interest has been awakened among the people with reference to the cause of Indian education, and the national legislation on that subject has been in answer to the demand made by the people.

It is not necessary to discuss the question whether the Indian is capable of receiving an education, and if capable, is willing. That he is capable has been fully demonstrated. That he is willing has been proved by the ease with which the few Indian schools properly conducted are supplied with pupils. The number of Indian children in school is limited to the provisions made for their support. Many more might be added if the appropriation was sufficiently liberal for their support. The Indians being capable of and willing to receive an education, it cannot be doubted that it is the duty of the government to provide the means. If, however, any one is disposed to deny the obligation of the government in that behalf, none will deny that it is wisdom on the part of the government to supply the means of education to all such as are willing and capable of receiving it; for, if their education proceeds in the right direction, the government will relieve itself of the support of persons who contribute nothing to the common stock, and in their place create men who will by their labor add to the wealth of the country.

If, then, it is either the duty of the government or dictated by sound principles of political economy to educate the Indian children, it only remains to be seen whether that end can be accomplished with an outlay of money the expenditure of which will be within the true principle of governmental economy.

If we consider the object and purpose of the education of the Indian to be to relieve the government ultimately of his support and dependency, divesting the question of all sentiment, looking at it only as a question of political economy, we need only inquire what does it cost to support him in his ignorance, and whether he will be able to support himself with an education. It is believed that from four to five years'

schooling, with proper manual-labor training, will make them independent of government aid.

The whole number of Indian children (exclusive of the New York Indians and the five civilized tribes) between the ages of seven and sixteen years is supposed to be about 38,000; of this number the report of the Commissioner of Indian Affairs shows that 8,508 are attending school, of which about 4,978 are attending boarding school and the balance day schools. But it must be borne in mind that the day schools are kept open only a short time, and the irregular manner in which the children attend while open renders them of little or no value. The advantage derived from such attendance is hardly perceptible. The Indian can only be properly educated in manual-labor schools. What he needs is not simply a literary education, he must be educated to labor, and his literary attainments will be of no real benefit to him unless he has also learned to take care of himself and provide for his physical wants. He must be taught to labor in the field; when to sow and when to reap; to care for cattle, horses, sheep, and swine; in fine, he must be a herdsman or farmer, or both. Some may become laborers in other fields, but the great mass of the Indians must either become farmers or stock-raisers. If we educate a few Indian children out of the many in a tribe, the influence of the many uneducated will be more powerful than the influence of the few educated, and the educated will soon go back to the savage ways of the more numerous class, and the benefits of their education be lost to them and the government. At least one-half of all the Indian children of school age should be put in manual-labor schools, and more attention should be paid to teaching them to labor than to read. Neither should be neglected. They can be made skillful farmers and mechanics much more readily than they can be made scholars. While in school they should be allowed to speak English only.

At least one-half of the children selected for such schools ought to be girls, who should be taught to spin and weave, make their own clothing, take care of the house, and become suitable companions of the educated males. The school period should not be less than four years, and in exceptional cases even longer than that. Manual labor schools should be established in different sections of the country, not distant from the Indians, yet far enough away to be beyond the influence of those opposed to education, and that the children may see as little as possible of savage life.

It is not supposed that one-half of the Indian children can be taken at once from their parents and put into schools, even if the government was prepared so to do; but it is believed that by the time the government can secure the facilities for the education of that number of children there will be no difficulty in obtaining them.

A large number can be provided for in the several manual labor schools of the different States. The capacity of the labor schools already established can be increased so as to accommodate a large num-

ber. A number of United States military posts, no longer needed for military purposes, can be used for the purpose of Indian schools, the government thereby saving the cost of erection of buildings, &c. With liberal appropriations it is quite possible to provide for the education of ten thousand Indian youths in manual labor schools during the fiscal year 1884, and at least twice that number during the fiscal year 1885.

The care, support, and education of 10,000 Indian youths during the fiscal year 1884 ought not to exceed \$2,500,000, and with the increased number of children there ought to be a reduction in the cost, and the expense of 20,000 children ought not to exceed \$4,000,000 per annum. To the 20,000, costing annually \$4,000,000, ought each year to be added not less than one-fourth that number, which, at the same expense per capita, will necessitate an additional appropriation of \$1,000,000, and the account will stand thus:

10,000 children, fiscal year 1884, computing the cost at \$250 each	\$2,500,000
20,000 children, fiscal year 1885, at \$200 each	4,000,000
25,000 children, fiscal year 1886, at \$200 each	5,000,000
30,000 children, fiscal year 1887, at \$200 each	6,000,000
25,000 children, fiscal year 1888, at \$200 each	5,000,000

The per capita allowance is greater than the cost at the agency boarding schools, but these schools are not kept up more than nine or ten months, while this estimate is for attendance for the full calendar year.

At the close of the fiscal year 1887 10,000 children, having completed their school course, can be discharged, leaving with the 5,000 to be added for the fiscal year 1888, 25,000. Ten thousand of these may be discharged at the end of the fiscal year 1888, leaving, with the addition of 5,000, 20,000 for the fiscal year 1889; and every year thereafter one-fourth of the whole number may be discharged and the like number added. Thus, at the end of the fiscal year 1888, there will have been discharged 20,000 children, who will be able to care for and support themselves; and the total expense of the education of this number with those remaining in school will not exceed \$22,500,000, or about two-thirds of the amount of money expended for the suppression of Indian hostilities during the years 1864 and 1865.

Since 1872, a period of only ten years, the cost of Indian hostilities and military protection against the Indian is estimated by the military authorities at \$223,891,264.50, or an annual expense of \$22,389,126.45. To this must be added the yearly appropriation for subsistence, which averages about five millions a year. To this must also be added the loss of life and the horrors of an Indian war, only to be understood by those who have had the misfortune to be participants in or witnesses of them. This cannot be computed in dollars, but ought to be considered in determining the policy of the government in its dealing with the Indians.

It is useless to attempt the civilization of the Indian through the

agency of schools, unless a large number of children, certainly not less than one-half the total number, can have the benefit of such schools, and even then it is not wise to depend wholly on that agency. The children on returning to their homes should have some encouragement and support.

Farmers and herders should be sent to the reservation to instruct the adults in agriculture and stock-raising. The government should furnish stock cattle to herders, and farm stock and implements to the farmer, not in such number and quantities that the Indian will feel that he is dependent on the government, but as aids to his own efforts. On some reservations stock-raising ought to be the principal industry, while on others, less suitable for that purpose, the Indian should be taught to turn his attention towards agricultural pursuits. Care should be taken to impress the Indian with the necessity of supporting himself, and he should be assured that the government will not aid him unless he shows a disposition to aid himself; and the gratuities of the government ought to be given only to those who show a proper disposition to take care of themselves.

With 20,000 or more Indian children properly selected in our schools, there will be no danger of Indian wars. Some care should be had in the selection of the children, to include the children of those individuals and tribes most likely to make trouble.

It is not desirable to abandon the agency schools, but an effort should be made to render them more effective than they have been. With proper attention they may be useful for the education of such of the children as cannot be sent away, especially those too young to put in the manual labor schools.

The Mission Indians of California, the Moquis, and Pueblos, and a few other tribes, who are accustomed to labor, need nothing more than good agency schools and titles to their lands to support themselves without further tax on the government.

It is believed that with an annual expenditure of between five and six millions of dollars during the next fifteen years for educational purposes, of the character herein indicated, the danger of Indian outbreaks may be avoided, and the great mass of Indian youths at least made self-supporting; and that the Indian may become, if not a valuable citizen, at least one from whom danger need not be apprehended, and cease to be a tax on the government.

GENERAL LAND OFFICE.

The Commissioner of the General Land Office shows a large increase in the disposal of the public land for 1882 over that for 1881, as follows:

The disposal of public lands under all acts of Congress embraced 13,998,780.27 acres, and of Indian lands 310,386.13 acres, making the total disposals 14,309,166.40 acres, an increase over disposals during the year 1881 of 3,415,769.35 acres.

The amount of money received from all sources in connection with disposals of the public lands was \$7,759,898.82, and from sales of Indian lands \$634,617.22, a total of \$8,394,516.04, being an increase over the previous year of \$2,985,711.88.

The following is a statement in detail of disposals and receipts:

Cash sales:	Acres.
Private entries	1, 924, 433. 15
Public sales	7, 932. 13
Timber and stone lands	95, 237. 02
Pre-emption entries	1, 351, 380. 85
Desert lands	164, 955. 94
Final desert lands	(39, 323. 11)
Mineral lands	39, 708. 03
Coal lands	8, 634. 33
Excess payments on homestead and other entries	19, 316. 77
Abandoned military reservations	2, 808. 12
Commuted homesteads	(376, 656. 10)
Act June 15, 1880	(700, 727. 80)
Total cash sales	3, 611, 530. 94
Homestead entries (original)	6, 348, 045. 05
Final homesteads	(2, 219, 427. 10)
Timber-culture entries (original)	2, 566, 686. 09
Timber-culture (final)	(23, 371. 12)
Locations with military bounty land warrants	43, 885. 69
Agricultural college scrip locations	1, 040. 00
Private land scrip locations	10, 577. 12
Valentine scrip locations (original)	853. 47
Sioux half-breed scrip locations	840. 00
Chippewa half-breed scrip locations	240. 00
Locations with Porterfield scrip	390. 79
Lands selected under railroad grants	472, 263. 88
State, school, and internal-improvement selections	276, 111. 74
Donation claims	18, 303. 14
Swamp-land selections	648, 032. 36
Total	13, 998, 780. 27

The areas of homestead entries commuted with cash, and of lands originally entered under the homestead law but subsequently purchased under the act of June 15, 1880, and the areas of final homestead, final timber-culture entries, and final desert-land entries are not embraced in the foregoing total, such areas having been previously reported with original entries of the respective classes.

SALES OF INDIAN LANDS:

	Acres.
Cherokee strip	29, 508. 02
Cherokee school	298. 65
Kansas trust	210. 72
Kansas trust and diminished reserve	11, 760. 30
Osage trust and diminished reserve	81, 817. 16
Osage ceded	3, 260. 63
Otoe and Missouri	7, 343. 57
Choctaw orphan	160. 96

Pawnee.....	112,982.80
Sac and Fox.....	80.00
Sioux.....	62,763.32
Shawnee absentee.....	299.00
Total.....	319,886.13

Which added to the disposals of public lands make a grand total of 14,309,166.40.

CASE RECEIPTS:

From sales of public lands.....	\$7,628,775.92
From sales of Indian lands.....	634,617.22
From homestead fees and commissions.....	697,368.59
From timber-culture fees and commissions.....	232,534.00
From fees on military bounty land warrant locations.....	1,166.00
From fees on locations with different classes of scrip.....	116.00
From fees on pre-emption and other filings.....	128,123.00
From fees for reducing testimony to writing.....	56,897.96
From fees on railroad selections.....	4,695.50
From fees on State selections.....	2,436.00
From fees on donation claims.....	595.00
From fees for issuing patent certificates.....	3.00
From fees for transcripts from records furnished by the General Land Office.....	6,588.75
Total.....	8,394,516.04

The Commissioner reports that the amount of work done in the pre-emption division during the last year is 33 per cent. in excess of the previous year; that 11,554 cases were received during the year, and 8,079 disposed of, leaving an excess of 3,475 cases to be added to the total work in arrears. It will thus be seen that in this division only about 70 per cent. of the current business has been disposed of, showing conclusively that the force of this division ought to be increased 30 per cent. in order to keep up with the current business of the division. The work of the division is now two years in arrears, and is so rapidly increasing that there can be no hope of disposing of current business with the present force, much less of disposing of the business now in arrears. The mineral division is reported by the Commissioner to be about one year in arrears.

It is a great hardship for the people who have paid for their farms and mines to wait one or two years for the government to certify that fact in such a way as to afford them a perfect title. With a sufficient force it is quite possible to issue patents to all entries within three or four months. The clerical force in both the pre-emption and mineral divisions ought to be largely increased.

The Commissioner recommends the repeal of the pre-emption acts, and says:

A repeal of the pre-emption law would simplify the public business, and be in the interest of public economy and good administration. Such repeal would, moreover, remove one of the causes of frauds in land entries, which have approached great magnitude.

The correspondence of this office and reports from officers and special agents indicate that a material proportion of the pre-emption entries now made are fraudulent in character, being chiefly placed upon valuable timber or mineral lands or water-rights and made in the interest and by the procurement of others, and not for the purpose of residence and improvement by the professed pre-emptor,

I fully agree with the Commissioner in this recommendation. The pre-emption law, intended as a means of enabling the citizen wishing to make a home to do so cheaply and speedily, has been used largely to aggregate large quantities of lands for the benefit of the speculator, and not for those for whose benefit it was intended.

The Commissioner also calls attention to the necessity of a change in the homestead law. He says:

It is a matter of serious question whether the time within which homestead parties are allowed to commute their entries by the payment of cash, should not be extended so as to require proof of actual residence, improvement, and cultivation, for at least one year before such payment should be received. This extension of time would be no longer than reasonably necessary to establish the good faith of the parties, and would be no hardship to *bona fide* settlers, while the opportunities and inducement for fraudulent entry would diminish in proportion to the length of time for which residence, improvement, and cultivation are required to be shown.

In this I concur. It will be useless to repeal the pre-emption laws if the opportunity still exists to commit the same frauds under the cover of the homestead law. If it is thought best to retain the pre-emption laws, they should be so amended that the filing for pre-emption should precede the entry at least one year.

It should be the policy of the government to preserve the public lands suitable for cultivation for the use of actual settlers, and this cannot be done under existing laws.

The Commissioner asks for an additional force of one hundred clerks. As the regular annual estimate is for a force only intended to dispose of the current work, the great increase in the volume of public land disposed of makes an increase of the force a necessity, without reference to work now in arrears. He also recommends the creation of the office of Assistant Commissioner, with a salary of \$3,000, and that the salary of the Commissioner be increased to \$5,000. In this I concur.

The public lands ought to be speedily surveyed. It is lawful for a settler to go on the public lands in advance of the surveys, but it is difficult for him to fix boundaries to his location made in advance of the surveys. Conflicts arise between neighbors as to lines, and when the surveys are made, not infrequently a whole neighborhood is thrown into confusion, and much bitterness and strife created by the attempt to adjust their location to the government surveys. There is but little, if any, of the public land that will not be ultimately surveyed. The necessity for surveys in the agricultural and pastoral regions is not greater than in the mineral regions of the high mountains. The miner as well as the agriculturist finds it difficult clearly and properly to define and locate his claim in the absence of government surveys. Liberal appropriations ought to be made for the survey of the unsur-

veyed land of all kinds, with a proper classification of the same, showing whether they are timber, agricultural, pastoral, or mineral lands.

PATENT OFFICE.

The report of the Commissioner of Patents shows an increase of business over the year ending June 30, 1881. The number of applications for patents was 27,622, an increase of 4,690 over that year. The number of applications for designs was 854; for reissues, 407; for registration of trade-marks, 737; for registration of labels, 442; and the number of caveats filed was 2,455. The number of patents granted, including reissues and designs, was 17,713; of trade-marks registered 1,079; of labels registered, 223. There were 1,637 patents withheld for non-payment of fees, and 5,123 patents expired.

The total receipts of the office were \$930,864.14, an increase of \$140,968.62 over the last preceding year.

The total expenditures of the office, not including printing, were \$651,719.50.

The Commissioner reports that, owing to the failure of Congress to make an appropriation to continue the work of abridging patents, that work was discontinued on the 1st of August. In order that so much of the work as has been completed up to that date may be published and made available, and in order also that the work may be continued, he expresses a hope that Congress will make an appropriation for that purpose. Up to the 1st of August nearly all the patents issued under the class of agricultural implements had been abridged, and it is especially desired that the office be enabled to make this abridgment public. The necessity for a prosecution of the abridgment has been enlarged upon in former reports, and need not be recurred to here in detail. It is sufficient to say that for lack of it an almost incalculable amount of valuable time is wasted in examining applications and comparing them with devices already patented in order to determine whether they can be granted. With a completed abridgment this time would be saved, and while a less number of examiners would be required, greater certainty in examination would be secured. The advantage, furthermore, to inventors and to purchasers of patents would be so obvious that it need not be more than referred to here.

The large and steady increase in the business of the Patent Office forces the Commissioner to ask that steps be taken to increase the accommodations. At present the force is so cramped for room that business is seriously retarded.

The Commissioner suggests that legislation is necessary to enable him more readily and certainly to carry out the provisions of sections 4886 and 4887 of the Revised Statutes, relating to the use or sale of inventions prior to the application for patent, and the limitation of American patents by the terms of patents issued to foreign countries. Some provision should be made whereby, at the request of the Com-

missioner, or of a party in interest, a subpoena could be issued as in contested cases (section 4906, Revised Statutes), to compel the attendance of witnesses to testify as to the use or sale of an invention for which an application for a patent is pending.

The number of years for which patents are granted abroad varies in various countries, and in nearly all are affected by conditions, the fulfillment or nonfulfillment of which cannot possibly be known to this office; notwithstanding which fact inventions patented abroad are only patentable here for terms concurrent with the valid duration of the foreign patents. Much confusion naturally arises out of this condition of things; but its most serious effect is felt by innocent purchasers of patents which have lapsed or may lapse with the termination of a foreign right of which they have no knowledge. The Commissioner in this view suggests that legislation be had to fix a definite term for patents upon articles or devices that have first been patented in foreign countries; and considering the fact that the terms for which patents may be granted in foreign countries are shorter than those for which they may be originally granted in this country, he suggests that twelve years would be a proper term for patents where the invention has first been patented, or a patent applied for, in a foreign country. The difficulty now experienced in office practice would thus be removed, and a necessary certainty obtained.

Application was recently made for the registration of a label, which was rejected by the examiner because it was not a label, but a trade-mark. Thereupon a mandamus was sued out against the Commissioner to compel him to register what the applicant claimed to be a label. The supreme court of the District of Columbia held that the Commissioner of Patents has no discretion in the registration of labels. If an applicant comes with a trade-mark, calls it a label, and asks for its registration, and pays the fee required by law for the registration of a label, it is the duty of the Commissioner to cause it to be registered. The fee prescribed by law for registering labels is \$6; for trade-marks \$25. The difference in the revenue of the office will be considerable if parties are permitted to register as labels what in fact are trade-marks. If the decision of the court is to be followed, legislation should be had which will remove every doubt in relation to such registration.

OFFICE OF COMMISSIONER OF RAILROADS.

The report of the Commissioner of Railroads, herewith presented, gives the operations of that office during the fiscal year ending June 30, 1882.

Extensive trips for the inspection of the property and accounts of the subsidized roads have been made by officers of that bureau, and the Commissioner expresses gratification in observing a decided improvement in the construction and operation of the roads and a manifest healthy growth of business.

Proper facilities for intelligent and comprehensive examination of the various properties of the several roads were freely granted. The books and accounts of the companies have been checked and examined and statements of the five and twenty-five per centum of ascertained "net earnings" have been made.

Statements are submitted showing in detail the indebtedness of the several companies to the United States, and their general financial condition. With the exception of a few of the minor roads, he regards the United States as secure in the ultimate payment of both principal and interest of the loans advanced.

CENTRAL PACIFIC RAILROAD COMPANY.

The property and accounts of this company have been carefully and fully examined. Every facility was accorded to render such examination thorough and complete.

There has been a marked increase in business and a decided improvement in the general line of the road. The equipment in engines, cars, and other facilities has been greatly increased.

The most noticeable improvement is at the Oakland terminus, where a commodious passenger depot has been constructed at the extreme end of the Oakland Pier in the Bay of San Francisco. The pier is of rock and earth-work, extending into the bay more than one and a quarter miles, upon which are four parallel tracks. The building has a total length of 1,050 feet, covering an area of more than four acres, and has ten tracks running through its entire length. At the present time there are one hundred and twenty-eight passenger trains running in and out daily. The building has all modern improvements, and is so constructed as to receive passengers from the ferry-boats from both the lower and upper decks at the same time, and is admirably adapted for handling expeditiously an immense passenger traffic.

Within the year, 106 miles of steel rail have been substituted for iron and 30,000 tons more have been purchased. It is expected that within the present year the entire road will be relaid with steel.

The company has at all times promptly complied with all the demands of this office, both in rendering the regular returns and in the payment of whatever balance, under the act of May 7, 1878, has been ascertained to be due from them.

The following statement is made from the reports furnished by the company as to its condition on the 30th of June, 1882: Number of miles subsidized, \$60.66; number of miles owned, 1,204.47; number of miles leased, 1,831.88; average number of miles operated during the year, 2,866.68; stock issued, \$59,275,500; par value, \$100; subsidy bonds outstanding, \$27,855,680; funded debt, less sinking funds, \$49,258,090.83; floating debt, \$9,633,988.14; interest accrued on subsidy bonds, \$23,449,-

463.41; interest accrued, but not due, on funded debt, \$1,352,655; total debt, \$111,549,877.38; capital stock and debt, \$170,825,377.38; cost of road, \$137,763,153.69; cost of equipment, \$8,224,145.38; real estate, \$2,687,362.69; total cost of road and equipment, \$148,674,661.76. Cash, materials, and sinking funds, \$6,203,340.05; bonds and stocks, \$245,416.70; miscellaneous investments, \$1,576,664.93; U. S. sinking fund and transportation accounts, \$7,170,129.38; bills and accounts receivable, \$4,161,737.72; land sales, \$1,471,802.82; total, \$169,503,752.36.

The earnings for the fiscal year ending June 30, 1882, are reported as follows: Passenger, \$7,151,283.71; freight, \$16,563,043.85; U. S. mail, \$450,018.17; miscellaneous, \$1,195,800.35; total, \$25,360,146.11. Operating expenses and rentals, \$10,042,411.74; ordinary net earnings, \$9,317,734.37. Interest paid, \$3,530,288.77; dividends paid, \$3,556,530. The gross earnings for the fiscal year ending June 30, 1881, were \$22,893,344.57; for 1882, \$25,360,146.11, showing an increase of \$2,466,801.52.

The books and accounts of the company, in San Francisco, show that under the act of May 7, 1878, the "twenty-five per cent." of net earnings due the United States for the year ending December 31, 1881, amounted to \$1,038,935.24. The company rendered transportation services for the United States on aided and non-aided lines amounting to \$959,785.33, leaving balance due for the year of \$79,149.91, a statement of which was furnished this department on the 20th day of October, 1882, and on the 23d the amount was promptly deposited with the Treasurer of the United States.

This company has leased and operates the Southern Pacific Railroad of California, Arizona, and New Mexico.

UNION PACIFIC RAILWAY COMPANY.

A thorough and complete examination of the accounts and properties of this company has been made, and a gratifying increase in the business noted. The general line of the road has been greatly improved, and the equipment in engines and cars fully up to the standard. During the past year over 16,000 tons of steel rails were substituted for iron, and the company is still expending large sums for this purpose with a view of having the entire main line laid with steel rails within the year.

In order to meet the large demands made upon it for elevator facilities, the company has constructed a handsome building at Council Bluffs with the great capacity of 1,500,000 bushels. This elevator is built upon the most approved plan, and is furnished with all the modern improvements for receiving, storing, and delivering grain.

The following is a statement of the condition of the road on June 30, 1882.

Number of miles subsidized with bonds and lands, 1,432.62; additional number of miles subsidized with lands only, 351; leased to Cen-

tral Pacific, 5 miles; owned and operated during the year, 1,818.88; miles. Stock issued, \$60,868,500; par value, \$100; subsidy bonds outstanding, \$33,539,512; funded debt, \$82,555,053.75; floating debt, \$10,754,891.87; interest accrued on subsidy bonds, \$29,074,812.78; interest on funded debt, \$2,049,600.74; dividends unpaid, \$1,123,371.14; total debt, \$159,097,242.28; capital stock and debt, \$219,965,742.28. Cost of road and equipment, \$157,092,858.46; cash, material, and sinking-funds, \$6,301,033.93; land contracts, land, cash, &c., \$6,448,827.92; bonds and stocks owned, \$38,616,287.66; miscellaneous investments, \$151,621.76; interest repaid United States by transportation services, \$6,871,519.56; bills and accounts receivable, \$2,761,500.48; due from United States for transportation services, \$8,578,930.55.

The earnings for the fiscal year ending June 30, 1882, are reported as follows: Passenger, \$5,195,526.77; freight, \$16,772,155.48; United States mail, \$719,840.76; express, \$706,038.31; miscellaneous, \$701,065.83; total, \$24,094,627.15. Operating expenses, \$12,069,792.55. Ordinary net earnings, \$12,024,834.60. Interest paid, \$5,280,411.52; dividends paid, \$4,258,026.50. The gross earnings for the fiscal year ending June 30, 1881, were \$22,765,752.08; for 1882, \$24,094,627.15, showing an increase of \$1,328,875.07.

Under the act of May 7, 1878, the "twenty-five per centum" of net earnings due the United States for the year ending December 31, 1881, amounted to \$1,826,294.98. The company rendered transportation services over the aided and non-aided lines amounting to \$1,162,949.65, which, with \$73,154.02 found due them on settlement of the five per centum of net earnings of the Kansas division for the same period, aggregate the sum of \$1,236,103.67, leaving a balance due the United States in cash of \$590,191.31, a demand for payment of which having been made upon the company on June 15, 1882.

In making this settlement, items for "new construction" and "new equipment," aggregating the sum of \$1,409,817.27, were excluded, but the company claims that under a liberal construction of the act, and in view of the decisions of the United States Supreme Court, these items should be deducted from gross earnings as being necessary "in operating the same and keeping the same in a state of repair." As large sums are involved, and in order to settle the question definitely, the whole matter will be referred to the Attorney-General for his opinion as to what constitutes "net earnings" under the law.

CONDITION OF THE SINKING-FUND ACCOUNTS.

A detailed statement of the condition of the sinking funds of the Union and Central Pacific Companies, held by the Treasurer of the United States under the act of Congress approved May 7, 1876, accompanies the Commissioner's report, from which it will be seen that on June 30, 1882, these funds amounted to \$2,716,221.68; the Central Pacific having to its credit \$1,534,614.26, and the Union Pacific \$1,181,607.42.

Investments have been made by the Secretary of the Treasury as follows:

Character of bonds.	Union Pacific.	Central Pacific.	Total.
Funded loan of 1881, 5 per cent	\$256,450 00	\$194,900 00	\$451,350 00
Funded loan of 1907, 4 per cent	32,650 00	199,100 00	231,750 00
Currency sixes, 6 per cent	361,000 00	444,000 00	805,000 00
Principal	650,100 00	838,000 00	1,488,100 00
Premium paid	124,065 43	168,727 73	292,793 16
Total cost	774,165 43	1,006,727 73	1,780,893 16

The last investment was made April 6, 1881, at which time a premium as high as 35 per centum was paid, but repeated protests have been made by the companies against the heavy cost of these investments.

On June 30, 1882, the amounts remaining in the Treasury *uninvested* were as follows:

Credit of the Central Pacific	\$527,886 53
Credit of the Union Pacific	407,441 99

Making a total of..... 935,328 52

on which the above companies are receiving no interest whatever.

In view of the fact that these companies are being charged with interest on their subsidy bonds at the rate of 6 per centum per annum, that the investments made by the Secretary of the Treasury yield only about 3½ per centum per annum, and at maturity of the bonds the large premiums paid will be entirely lost to the companies, in simple justice to them, the Commissioner earnestly recommends that section 3 of the act of May 7, 1878, be so amended as to authorize the Secretary of the Treasury to invest the sinking-funds in the first-mortgage bonds of the companies or such bonds as have been issued to them by the United States, or in other good and sufficient securities, and that the bonds now held by the Treasurer of the United States in said sinking-funds be converted into money at the highest market rates, and reinvested in like securities.

He submits, in the same connection, a suggestion that with the consent of the companies, the debt be accurately ascertained as of some convenient day, say July 1, 1883, and that payment of the amount so ascertained be extended and divided into semi-annual installments of fixed amount, for which installments separate redemption bonds shall be given.

The lien to remain the same.

NORTHERN PACIFIC RAILROAD COMPANY.

The rapidity with which construction has been progressing on both eastern and western divisions of this railroad is without precedent in the history of that company.

During the year ending June 30, 1882, 285 miles of track were laid with American steel rails, of which 183 miles were laid from the east and 102 miles from the west, leaving the two ends of track 572 miles apart on June 30, which, at the present rate of construction, will be lessened about 300 miles by the close of this year. The final connection of the tracks is expected to be made in 1883.

An inspection of the entire road, as far as completed, has been made, and the same found to be in good order. The work on track, buildings, and bridges is being ably done and first class materials used.

For the year ending June 30, 1882, the company reports as follows: Miles operated, 1,234; number of locomotives, 154; passenger cars, 68; baggage, mail, and express, 29; freight and other cars, 5,438. Capital stock, \$100,000,000, less \$9,090,867.80 canceled = \$90,909,132.20; funded debt, \$24,616,500; floating debt, \$17,543,605.67; interest due and accrued on funded debt, \$661,676.74; total debt, \$42,821,782.41; capital stock and debt, \$133,730,914.61. Cost of road, \$122,581,020.16; cost of equipment, \$4,466,903.82; real estate, \$363,698.26; total expenditures, \$127,411,622.24. Cash, materials, and sinking-funds, \$6,558,061.22; bonds and stocks, \$2,236,235.10; miscellaneous investments, \$763,480.04; total, \$9,577,776.36.

Earnings for fiscal year ending June 30, 1882, are as follows: Passenger, \$1,302,260.80; freight, \$3,907,423.20; United States mail, \$52,306.56; miscellaneous, \$166,315; total, \$5,430,305.56; operating expenses and rentals, \$3,572,840.51; ordinary net earnings, \$1,857,465.05. Interest paid, \$1,348,530.72.

CHICAGO, MILWAUKEE AND SAINT PAUL RAILROAD COMPANY.

This company reports as follows for the year ending December 31, 1881:

Average number of miles operated during the year, 3,830; stock issued, \$34,805,744; par value, \$100; funded debt, \$79,059,000; floating debt, \$6,084,779.16; interest due and accrued on funded debt, \$24,059.02; total debt, \$85,237,838.18; capital stock and debt, \$120,943,582.18. Cost of road and equipment, \$120,073,629.99; cash, materials, and sinking-funds, \$1,583,961.32; bonds and stocks, \$2,486,142.17; miscellaneous investments, \$1,792,855.95; total, \$125,636,503.03. Earnings: passenger, \$3,938,988.77; freight, \$41,884,795.53; United States mail, \$376,330.31; miscellaneous, \$536,646.29; total, \$46,736,960.90. Operating expenses and rentals, \$10,252,054.45; ordinary net earnings, \$6,484,906.45. Number of locomotives, 527; number of passenger cars, 236; number of baggage, mail, and express, 135; number of freight and other cars, 16,736.

SOUTHERN PACIFIC RAILROAD COMPANY.

For the calendar year ending December 31, 1881, this company reports as follows:

Number of miles owned, 714.61; number of miles leased to the Central

Pacific, 553.72; average number of miles operated during the year, 160.89. Stock issued, \$36,763,900; par value, \$100; funded debt, \$28,483,000; floating debt, \$1,926,367.45; total debt, \$30,409,367.45; capital stock and debt, \$67,173,267.45. Cost of road and fixtures, \$62,456,108.99; equipment, \$1,818,503.64; real estate, \$642,970.74; total cost of road and equipment, \$64,947,583.37. Cash and materials, \$505,412.52; bonds and stocks, \$425,000; miscellaneous investments, \$1,798,734.19; total, \$2,729,146.71. Earnings: passenger, \$475,443.06; freight, \$628,858.30; United States mail, \$12,400.56; miscellaneous, \$1,691,912.86; total, \$2,808,614.78. Operating expenses, \$967,070.42 ordinary net earnings, \$1,841,544.36. Interest paid, \$1,723,650.

ATCHISON, TOPEKA AND SANTA FÉ RAILROAD COMPANY.

This company reports operations for the year ending December 31, 1881, as follows:

Miles owned, 470.58; miles leased, 1316.09; stock issued, \$47,133,900; increased during year, \$22,242,900; par value, \$100; funded debt, \$20,510,000; floating debt, \$7,202,874.40; total debt, \$27,712,874.40; stock and debt, \$74,875,574.40. Cost of road and equipment, \$25,404,620.37; investments in other companies, \$36,910,550; materials and cash on hand, \$3,021,943.53; other stocks and bonds, \$3,577,763.25; miscellaneous, \$5,030,308.11. Passenger earnings, \$2,971,144.68; freight earnings, \$9,087,045.95; miscellaneous, \$562,277.54; total, \$12,620,468.17. Operating expenses, including taxes, rentals, &c., \$8,110,646.99; net earnings, \$4,509,821.18. Interest paid, \$1,641,403.33; dividends paid, \$1,841,020.50. Distribution of capital stock, \$15,720,900; miscellaneous expenditures, \$167,897.09.

The company owns and leases 251 locomotives, 134 passenger cars, 60 baggage, mail, and express cars, and 8,796 freight cars.

MEMPHIS AND LITTLE ROCK RAILROAD COMPANY.

For the year ending June 30, 1882, this company reports as follows:

Number of miles of road, 133; stock issued, \$1,500,000; par value, \$100; funded debt, \$2,850,000; floating debt, \$82,315.19; interest due and accrued on funded debt, \$121,310; total debt, \$3,053,625.19; capital stock and debt, \$4,553,625.19. Cost of road and equipment, \$4,921,216.01; cash and materials, \$58,920.42; miscellaneous investments, \$40,554.18; total, \$5,020,690.61. The earnings for the year are reported as follows: Passenger, \$323,182.35; freight, \$280,819.54; United States mail, \$12,280.11; miscellaneous, \$24,310.48; total, \$640,593.98. Operating expenses and rentals, \$478,492.29; ordinary net earnings, \$172,101.69. Interest paid, 4 to 8 per cent.

OREGON AND CALIFORNIA RAILROAD COMPANY.

The reports of this company show the length of road operated, December 31, 1881, as 331.233 miles; number of locomotives, 20; number

of passenger cars, 13; number of baggage, mail, and express cars, 10; number of freight and other cars, 483. Par value of shares, \$100; stock issued, \$19,000,000; funded debt, \$6,051,750; floating debt, \$1,754,433.14; total debt, \$7,806,183.14; total stock and debt, \$26,806,183.14. Cost of road and fixtures, \$13,629,912.01. Passenger earnings, \$254,511.60; freight earnings, \$472,049.09; miscellaneous earnings, \$61,927.49; total earnings, \$788,488.18. Operating expenses, including taxes, \$684,627.41; net earnings, \$103,860.77.

CENTRAL BRANCH UNION PACIFIC RAILROAD COMPANY.

This road with the leased lines controlled by it is operated as a division of the Missouri Pacific Railway Company, and from reports submitted to June 30, 1882, the following is derived:

Miles owned and subsidized, 100; miles leased, 287; stock issued, \$1,000,000; subsidy bonds, \$1,600,000; interest on subsidy bonds, \$1,405,808.26. Passenger earnings for 100 miles, \$111,580.11; freight earnings for 100 miles, \$309,603.50; miscellaneous earnings for 100 miles, \$39,927.49; total, \$453,111.10; operating expenses, \$329,201.04; ordinary net earnings, \$123,910.06.

SIOUX CITY AND PACIFIC RAILROAD COMPANY.

The following statement has been compiled from returns made by this company:

Miles of road owned, 107.42; miles of road subsidized, 101.77; miles of road leased, 254.37; total miles operated, 361.79.

The earnings of the entire line for the year ending June 30, 1882, are as follows: Passengers, \$223,281.96; freight, \$490,894.21; miscellaneous, \$39,279.56; total, \$753,455.73. Operating expenses, \$715,738.07; net earnings, \$37,717.66. The liabilities and assets are as follows to June 30, 1882: Stock issued, \$2,068,400; subsidy bonds, \$1,628,320; interest on subsidy bonds, \$1,366,598.29; first-mortgage bonds, \$1,628,000; interest on same, \$118,020; miscellaneous indebtedness, \$954,050.21; total stock and debt, \$7,763,388.50. Cost of road and equipment, \$5,426,659.18; material on hand, \$103,692.22; cash on hand, \$18,016.23; miscellaneous investments, \$506,200; accounts receivable, \$240,850.07; total assets, \$6,295,420.70; deficit, \$1,467,967.80.

The "net earnings" of the subsidized portion of this road for the two fiscal years ending, respectively, on June 30, 1881, and June 30, 1882, as ascertained from the general books at Cedar Rapids, Iowa, were as follows: Year ending June 30, 1881, \$138,286.49; year ending June 30, 1882, \$15,248. The annual interest on the first-mortgage bonds having a prior lien to those of the government, amounts to \$97,680.

The Commissioner's report is accompanied by appendixes and tables containing compilations in reference to matters bearing upon bonded and land-grant companies, the laws affecting them, their financial con-

dition, present indebtedness to the United States, earnings, expenses, operations, construction, and other matters of general interest. His suggestion that the act of May 7, 1878, entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, &c.," be so amended as to embrace the subsidized portion of the Kansas division of Union Pacific Railway (formerly known as the Kansas Pacific Railway), the Central Branch Union Pacific, and the Sioux City and Pacific Railroads within the operations of said act requiring the establishment of sinking funds and an annual payment of 25 per cent, of net earnings, is respectfully recommended for legislative action.

TAXATION OF RAILROAD LANDS.

The acts of Congress of 1862 and 1864, "To aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean, and to secure to the government the use of the same for postal, military, and other purposes," made grants of land to the several roads therein mentioned to an amount estimated in gross at some 30,000,000 acres.

Section 21 of the act of 1864 (13 Stat., 365) provided that before any land granted as aforesaid should be conveyed to any company or party entitled thereto—

There shall first be paid into the Treasury of the United States the costs of surveying, selecting, and conveying the same by the said company or party in interest, as the title shall be required by said company, which amount shall, without any further appropriation, stand to the credit of the proper account, to be used by the Commissioner of the General Land Office for the prosecution of the survey of the public lands along the line of said road, and so on, from year to year, until the whole shall be completed.

It was the contemplation of the law that the companies should pay the costs of surveying, &c., and that the amount so paid in one year or at one time should be applied to surveying additional lands along the line of the road, which in their turn should be selected, and the expenses of survey, &c., paid by the companies, and that this money so paid should be applied to further surveys, and so on, until all the lands granted to said companies should be conveyed to them, respectively.

Surveys have been made in part only of the lands embraced in these grants, and a portion only of the land accruing to the several railroad companies has been selected by and patented to them. The Union Pacific Railroad Company, for example, the grant to which is estimated at some 12,000,000 acres, has received patents for less than 2,000,000 acres; the Central Pacific, with an estimated grant of 8,000,000 acres, has received title to less than 1,000,000 acres; the grant to the Western Pacific, estimated to embrace 1,000,000 acres, has been satisfied by patents to the extent of about one-half that amount; the Kansas Pacific, estimated to be entitled to about 4,000,000 acres, all of which has been surveyed, has received patents for about 1,000,000 acres; the Denver Pacific, es-

timated to be entitled to about 1,000,000 acres, has received patents for about 50,000 acres.

The failure of the beneficiaries of these grants to obtain patents as provided by law for lands to which they are entitled, is a matter of serious complaint by citizens and by State and municipal authorities in the States and Territories through which the roads pass.

Until patents issue to the companies or their assigns, the legal title to the granted lands remains in the United States. Such lands are, therefore, not subject to taxation by State, Territorial, or municipal authority. The companies permit these large bodies of land to rest in this situation, and grow valuable by the lapse of time and the settlement of the country, thus obtaining all the advantages of public protection and enhancement of values, without contributing to the maintenance of the public authority or of the common institutions of municipal organization by the aid of which such enhanced values may be secured.

In other words, all the burden of maintaining the local civil establishments of the country are thrown upon the legal owners of a moiety of the lands embraced within the limits of railroad grants, while the equitable owners of the other half are exempt from such burdens, although receiving the resultant benefits.

The refusal or neglect of the railroad companies to obtain title to their lands has further the effect to retard the progress of the public surveys. Congress having provided a method by which the costs of surveying the public lands on the lines of these particular roads shall be reimbursed by the companies to the proportionate extent of the cost of surveying the railroad lands, and the general appropriations being otherwise inadequate to the survey of such lands, the failure of the companies to pay their proportion prevents additional surveys from being made, to the disadvantage of the United States in the administration of its public-land system, and to the great inconvenience of settlers whose legitimate claims become jeopardized by uncertainties and contests arising from such condition.

It is strongly, and I think justly, urged that the refusal or neglect of the companies to select their lands within a reasonable period of time is not warranted by the terms or spirit of the granting acts, the intentment of which is shown by the proviso to the third section of the act of 1862 (12 Stats., 492) to have been that the granted lands should not be locked up and unreasonably kept out of market by the beneficiaries of the grant.

The several roads, the grants for which were made by the acts above cited, and the corporations controlling which are now in default in the matter of selecting granted lands and paying the costs of survey, &c., have been completed for about twelve years, a period of time far beyond the contemplation of the statutes as the period within which such selection and payment should have been made.

A bill was introduced in the House of Representatives at the last

session of Congress intended to provide for compelling the Kansas Pacific Railroad Company to pay the costs of surveying, selecting, and conveying its granted lands, and in case of the failure of the company to pay such costs and accept patents, to provide for the delivery of patents for entitled lands upon notice to the company, and for the recovery of said costs by judicial process.

I think that some sufficient measure which will require all the corporations in default as above mentioned to promptly comply with the statutory provision in question, and which will enable these grants to be speedily and completely adjusted by this department, is demanded in the general interests of the country, as well as by public sentiment and interest in the States and Territories specially affected, and I respectfully recommend appropriate action by Congress to this end.

RAILROAD LAND-GRANTS.

Congress has from time to time, commencing in 1850, made grants to the several States or to corporations to aid in the construction of railroads. In some instances the roads have been constructed, and in others partially completed; but in some cases no attempt has been made to build the roads and thus secure a title to the land. The lands thus granted have been withheld from the operation of the settlement laws. The Supreme Court of the United States has declared, in the case of *Schulenberg vs. Harriman*, 21 Wallace, 44, that a failure to complete the road within the time fixed in the grant did not forfeit the grant. Lands thus withheld from the operation of the settlement laws must so remain until Congress shall declare such lands forfeited. If it is the intention of Congress to allow the railroad companies to complete their roads after the expiration of the term fixed in the grant, and thus claim the benefit of the grant, it should be so declared at an early day. Large tracts of land are not available for settlement because the settler cannot determine whether the title is in the government or in the railroad company. If he purchase from the railroad company and it fails to complete its road and secure the title, he takes nothing by such purchase, and he cannot secure the land under the settlement laws, for the department is not authorized to treat such lands as public land. Besides this, the even sections within the limits of the grants are subject to cash entry at not less than \$2.50 per acre. Thus the settler is sometimes compelled to pay a double price for the privilege of owning lands near a railroad which is never constructed.

Doubtless in some cases, the companies having in good faith attempted to build within the time fixed, a forfeiture would be a great hardship, and might be unjust, but in every case where no effort was made to construct any portion of the road until the expiration of the time fixed, the grant ought to be declared forfeited and the land so withheld from the operation of the settlement laws declared public land.

PENSIONS.

There were, at the close of the fiscal year June 30, 1882, 285,697 pensioners, classified as follows: Army invalids, 173,138; army widows, minor children, and dependent relatives, 76,448; Navy invalids, 2,361; Navy widows, minor children, and dependent relatives, 1,953; survivors of the war of 1812, 7,134; and widows of those who served in that war, 24,661.

There were added to the roll during the year the names of 27,664 new pensioners, and the names of 649 whose pensions had previously been dropped were restored to the rolls, making an aggregate increase to the roll of 28,313.

The names of 11,446 pensioners were dropped from the rolls for various causes, leaving a net increase for the year of 16,867 pensioners.

At the close of the year the annual pension to each pensioner averaged \$102.70, and the aggregate annual value of the whole roll was \$29,341,101.62.

The annual payment of pensions exceeds the annual value by several millions of dollars, *i. e.*, the total amount paid for pensions during the year, exclusive of the arrears due in such pensions as were allowed prior to January 25, 1879, was \$53,924,566.20, the difference between this sum and the annual value being the arrears due in new pensions, computed from the date of discharge in the case of an invalid soldier, and from the death of the soldier where pension was allowed to the widow or others.

The amount paid during the year upon first payment to new pensioners is \$26,421,669.19, and this amount was paid to 27,703 pensioners.

Complete details of these statements will be found arranged and classified in Table No. 1 of the Commissioner's report, while Table 2 will show the various causes for which the names of 11,446 pensioners were dropped from the roll, as well as an analysis of the "widow's" roll, showing the number of widows who are pensioned with minor children, the number without, the number of minor children in their own right, and the dependent mothers and fathers.

Table No. 3 gives the amount appropriated under the several appropriation items, and the disbursements under each.

Very interesting details of the operation of the Bureau are set forth by the Commissioner, covering the periods since 1861, which are arranged for comparison by each year, and possess an interest to all. In Table 5 will be found a statement showing the number of pension claims filed and allowed since 1861, and the disbursements on account of pensions since 1862, *e. g.*, the total number of claims filed during the period is 837,361, and the number allowed is 472,776, and the disbursements aggregate the sum of \$560,641,324.75. Included in this sum is \$25,234,232.85 paid to pensioners for and on account of service during the war of 1812, which was first provided for by the act of February 14, 1871.

A reference to Table 6, of the Commissioner's report shows 290,966 claims for pensions pending, and 75,268 on the rejected files of the

office. The arrangement in this exhibit shows the number of claims filed during the year (75,087), the numbers admitted and rejected, and the number actually pending at the close of the year of each of the twelve different classes of claimants and pensioners.

The operations of the special-examination system, substituted by Congress on the recommendation of the Commissioner, for the "special service" provided by section 4744 of the Revised Statutes, appears to have given great satisfaction and been fruitful in good results. This new system does away with the *ex parte*, formerly in use, so that the claimant is afforded the opportunity to face the witnesses, and to appear in person or by counsel in the examination of his case.

The expenses incurred in this service amount to \$88,275.23, while the gross savings to the government was \$645,183.98. Besides this the sum of \$61,889.88 represents one year's pension as a future saving in the cases of those whose names were dropped from the roll; the cases of those whose pension was disallowed, and the reductions in the rates of pension.

A reference to Table 7 of the Commissioner's report will show the further operations of this service, including the criminal prosecutions, &c.

BUREAU OF EDUCATION.

The Commissioner of Education reports that during the year his office has received nearly 43,200 communications and 5,000 documents, many of great value, and that more than 17,000 communications and 210,000 documents were sent out, showing a great increase of the business of the office in all its forms. The library of the office contains about 15,000 books and 34,000 pamphlets, besides duplicates suitable for exchange; parts of the card-catalogue will soon be put to press. The pedagogical museum has received valuable contributions from Europe and Japan, and, though incomplete, already supplements the library in suggesting to teachers and school officers improvements in methods, conditions, and appliances of education.

The Commissioner, reviewing the progress of education during the year, observes that the thought of the country has been directed specially to defects and insufficiencies in means and methods, and to the character of the reforms and remedies needed. He notes an increase in the length and number of teachers' institutes in the South. Greater attention has been given to vacation schools of philosophy, science, and letters, indicating a desire for more thorough treatment of questions relating to man and his environment and the applications of the conclusions to personal conduct and public affairs. The taste for reading has been improved by reading circles and the efforts of librarians; the library report and other publications of the office on library administration have been in special demand. The visit of the Commissioner to the Pacific coast has been followed by a great increase of correspondence and of documents sent; school-houses have been erected on improved

plans supplied by the office; supervision has become more efficient, and school-lands have been better guarded. One Territory has required cities to act as single school districts, and graded schools are the result. All advances in these pioneer regions in the education of the whites react favorably on the subject of Indian education. The Commissioner notes the neglect of education in New Mexico, and the total absence of public provision for it in Alaska, and calls attention to the supreme power of Congress over the Territories, renewing his recommendation for the appointment of their superintendents of instruction by the President. Special attention has been directed to the lack of school-sittings in cities, the non-attendance of children and their exposure to the evils of pauperism and crime; many forms of industrial training for boys and girls have been devised by private charities, and sewing has been taught successfully to girls in the public schools of Boston. The "Colleges of Agriculture and the Mechanic Arts" are leading in the solution of the problems of industrial training, and private foundations for the same purpose are increasing.

Great efforts are made by the professions and by professional men to advance the standard of admission to the practice of law, medicine, engineering, chemistry, and pharmacy. Physical education, care of eyesight and hearing, proper supply of good air and light, prevention of the dissemination of contagious and infectious diseases in public schools, have never been more considered. The improvement in methods of instruction seeks to avoid cramming and to promote sound mental growth in healthy bodies.

The vigor of growing educational sentiment has shown itself in advanced legislation. One State has abolished the district and adopted the town system; several have made additional provisions for colored education. The appalling illiteracy in the States where slavery has been lately abolished remains; their educational facilities are entirely inadequate.

The most important proposition with reference to elementary education now before the American people is the appeal for national aid. The necessity for immediate relief is urged upon Congress by State legislatures and governors, by municipal officers, by school officers of States and counties, and by religious and benevolent associations that have contributed men and money without stint to the cause which they advocate. The Commissioner urges the prompt action of Congress in such way as the wisdom of that body may devise.

I wish to emphasize the recommendation of the Commissioner as to the propriety and necessity of speedy temporary aid by the Federal Government to education. I believe that it is the primary duty of States to supply free public schools for the children in their borders, and that much should be sacrificed and endured by these communities for this purpose; but I know that circumstances often render the performance of this duty impossible, and I am now, as heretofore, an advocate of the

doctrine that the nation has duties to perform in this regard as well as powers to exercise. The local sentiment in favor of education is so strong that the action required from the general government is simply to make and disburse suitable appropriations so as to encourage and stimulate the States that are least able to carry on the work for themselves. It seems reasonable and generally agreed upon that such moneys should be apportioned on the amount of illiteracy as shown in the last Federal census, and that it should continue for some years, so that the children now growing up without any opportunity for school privileges may be supplied before passing beyond their non-age into ignorant manhood and womanhood. If efficient public schools can be maintained for ten or fifteen years in the States, there will be no danger of their abandonment. An educated community will demand, and will in some way obtain, suitable educational facilities for all classes of children within its borders; but an ignorant community neither knows nor believes in their education; it has not thought; it suffers daily and hourly by evils, social, commercial, and moral, for which it has no remedy and from which it has no refuge. The occasion and the duty are now pressing on Congress for attention.

GEOLOGICAL SURVEY.

The report of the Director of the Geological Survey exhibits important progress in that branch of the public service. On its organization at the beginning of the fiscal year of 1879-'80, the unpublished material of the United States Geological Survey of the Rocky Mountain Region was transferred to the new organization. During the first year of the existence of the Geological Survey, and the major part of the second year, active operations were carried on in the field, and much work done, but no publication made. Hence, at the beginning of the past fiscal year, a large body of scientific material relating to geology and geography and cognate subjects had been collected.

Under these circumstances it was thought best not to continue the work in the field in the same elaborate manner as before, but to give more especial attention to the work in the office and laboratory necessary for the publication of the large amount of scientific matter on hand. This office and laboratory work consisted of the identification, classification, and description of fossils; the chemical and microscopic examination of rocks, minerals, and ores; the construction of geological sections; the preparation of charts, diagrams, and other illustrations; and the preparation of reports on the various subjects which had occupied the attention of the scientific men of the Survey.

Experiments have been prosecuted for the purpose of determining with greater accuracy certain physical constants of rocks relating to the phenomena of fusion, considered with reference to variation of pressure; the phenomena of elasticity and viscosity as affected by temperature and pressure; and the phenomena of heat conductivity under

similar circumstances. These experiments on rocks have been under the management of the former director, Mr. Clarence King.

Another corps of the Survey has been engaged in making an examination of the structural geology of the Eureka mining district of Nevada. The work has been chiefly in the office and laboratory. Under this same division an examination of the volcanic rocks of the Great Basin and of Mount Shasta, Mount Hood, and Mount Rainier has been made.

Another department of the work has been the study of the geologic feature of certain lake basins in Utah, Nevada, and California. The lakes themselves are now extinct, except certain fragments which remain, as Great Salt Lake, Pyramid Lake, and other smaller bodies of water, but in a former time they occupied large areas of country. Their history can be studied in the geologic changes which they effected, and an important part of the study of their history is the study of Quaternary climate. This leads to the study of the climate of the arid portion of the United States. The greater part of the work has been in the office and laboratory, but small parties have been employed in the field.

Another field of investigation has been the study of the Glacial formations extending from the Atlantic coast to the middle portion of the Great Plains, but found only in the northern latitudes of the United States. Field parties have been engaged in the northwestern portion of the country and in connecting that work with what has already been done by State geologists and other persons in the eastern portion of the United States. This investigation also is a research relating to Quaternary climate and complements that previously mentioned. It is also an investigation of the character and origin of the present topographic features of the area involved. Much of this work also has been in the office and laboratory.

A division of the Survey has been engaged in investigations relating to the economic geology of Ten-Mile District, Summit County, Colorado. Another field of investigation has been entered at Golden, including the basaltic mesas of that region, which is to be expanded so as to extend over the entire Denver coal basin. The geologists in charge of this work in Colorado have spent a large portion of their time in the office and laboratory preparing the report on the Leadville District.

In Nevada the Eureka District has been carefully surveyed and the field work is nearly completed. The officers of this division during much of the fiscal year have been engaged in office and laboratory investigations necessary to the preparation of the report on the Comstock Lode and Washoe District.

All of the investigations in economic geology will have a practical value in determining the characteristics of ore deposits, and will advance mining industries by pointing out the best methods of systematic development.

Early in the fiscal year geographic work was commenced in New Mexico and Arizona. A base line was measured at Fort Wingate, a system of triangulation expanded therefrom over the adjacent country, and the topography of the region mapped. This field connects on the east, north, and west with areas previously surveyed by parties under the direction of the Department of the Interior and the War Department. The geographic survey is preliminary to a geological examination of the country.

During the year the Survey has been engaged in compiling and discussing the statistics relating to the mines and mining industries of the United States collected by the tenth census. The facts and statistics relate to the geographic and geologic distribution of mines and the relation of mining districts to mountain systems, the nature of ores, gangue-minerals, inclosing rocks, and the character of ore deposits, in addition to statistics of production, capital stock, plant, assessments, dividends, market value, &c., the methods employed in mining, milling, smelting, &c., and the labor, power, and material supplies consumed in mining.

Altogether the work of the Survey has been wisely planned and vigorously prosecuted.

PROGRESS OF THE CENSUS.

The compilation of the returns of the tenth census and the preparation of the extended report thereupon rapidly approach completion.

The degree of progress attained may be shown by a comparison with the report upon the census of 1870. That report, in three quarto volumes, contained in the aggregate 2,403 pages, text and tabular matter, of which 2,212 pages were solid statistical tables. The subjects which were treated on 2,036 of these pages have been completely covered in the present census by tables which have already been prepared, and are either now in type or are ready for the printer.

These tables are in no instance less extended, but, on the contrary, are in most cases more complete and elaborate than were the corresponding tables in the report of 1870, and will occupy 3,000 or more pages, instead of 2,036, as in 1870.

The preparation of tables to cover the ground of the remaining 176 pages of the report of 1870, is, to say the least, not less than half completed, and will now be expedited by concentration of the clerical force, which is made possible by the completion of other branches of work.

Of the thirty-two chief special agents who have conducted special investigations, sixteen have concluded their work; have either transmitted their reports to the Census Office or hold them in their own hands, practically complete. Eleven others have nearly completed their investigations, and will submit their reports more rapidly than they can receive the office revision and be carried through the press, while the

remaining five have made satisfactory progress, having their material now all in hand and the writing of their reports well advanced.

Congress at its last session provided for printing the extended reports, to be comprised in some 15,000 pages, quarto, in volumes of 800 to 1,000 pages each, and also a compendium or abridgment in a single octavo volume. It had originally been proposed by the Census Office to issue a compendium in two volumes, the first volume to issue in June or July last, and the remaining one after the completion of the quarto report. This plan was changed near the close of the session, at the request of the Senate Committee on Printing and the House Committee on Appropriations, and the Census Office undertook to prepare for issue during the current autumn a compendium in one volume which should contain a summary of so much of the statistics of the census as could be got ready in that time. The tables, consequently, for such a volume have been prepared and are being put in type and stereotyped by the Public Printer, the press-work for an edition of 25,000 following as rapidly as the 16-page forms are completed, and it is believed that by the 1st of December the work of binding can be commenced.

But for this diversion of effort in the Census Office to the preparation of the Compendium, there would be now in the printer's hands copy for six complete volumes, of from 800 to 1,000 pages each, of the quarto report, namely:

- I. The complete statistics of population.
- II. A volume comprising the principal statistics of agriculture.
- III. Manufactures.
- IV. Wealth, debt, and taxation.
- V. Statistics of mortality.
- VI. Professor Hilgard's report upon cotton culture.

Already 2,076 pages for these volumes are in type, of which 1,951 are stereotyped, 1,528 pages having had a small circulation in preliminary office editions of parts of these volumes. The remaining copy for them will soon be placed in the printer's hands, and it is believed that by the close of December the whole will have been furnished.

The remaining volumes will shortly follow, and the whole will reach the printer during the present fiscal year, with a possible exception of a portion of the volume relating to vital statistics, and a portion of the report upon social statistics of cities, not to exceed 1,000 pages in all.

The attention of Congress should be invited to the advisability of further legislation with respect to the inter-decennial State census contemplated by the twenty-second section of the act "to provide for the taking of the tenth and subsequent censuses," approved March 3, 1879.

Several of the States have already indicated their intention to avail themselves of that provision of law, and the blank schedules, the forms of which are fixed by the act in question, should be modified by the experience of the tenth census.

THE UTAH COMMISSION.

The Commissioners appointed under section 9 of an act to amend section 5352 of the Revised Statutes of the United States, in reference to bigamy and other purposes, approved March 22, 1882, made a preliminary report on the 31st of August last, and another report on the 17th of November, which are herewith submitted.

It appears by these reports that the Commissioners entered into the discharge of the duties assigned to them under said act, and have given diligent attention to the same. Rules were adopted for the registration of voters and the conduct of elections. Registers were appointed as nearly as practicable in conformity with local law, excluding, however, all persons ineligible under the Congressional act. The registration of voters having been completed under the laws of Utah, the Commissioners decided not to commence *de novo*, but to review the list, applying the principles of said Congressional act.

From the report of the register of voters it appears that the total registered vote was 33,266, of which 18,772 were males and 14,494 females, and that about 12,000 males and females were excluded from registration by reason of polygamy.

The Commissioners report that during the campaign preceding the November election for Delegate to Congress—

The people of all classes manifested a lively interest in public affairs, and attended the political meetings in large numbers, and such meetings were characterized by exceptional good order, good humor, and decorum.

The Commissioners appointed, the week before election, five gentlemen of character to canvass the votes, who, in the presence of the Commission, on the 16th of November, discharged that duty, declaring that John T. Caine had received 23,039 votes, and Phillip T. Von Zile, 4,884. The certificate was accordingly given to Mr. Caine as the duly elected Delegate.

The Commissioners recommend the enactment by Congress of a marriage law, declaring that all future marriages in the Territory of Utah shall be void unless solemnized in a public manner, with proper witness, and that a public record be made thereof.

The Commissioners also recommend the repeal of the law conferring the right of suffrage on the females of that Territory, declaring that in the judgment of the Commission said law is an obstruction to the speedy solution of the "vexed question," and also suggest that the first or legal wife be declared by act of Congress a competent witness in all prosecutions for "polygamy, bigamy, or unlawful cohabiting." Speaking of the law under which they were appointed, the Commissioners say:

But so far it has been a decided success in excluding polygamists from the exercise of suffrage; and we are of the opinion that the steady and continued enforcement of the law will place polygamy in a condition of gradual extinction, and that the domination that is complained of by non-Mormons in Utah, and elsewhere, will, at no distant day, be much ameliorated.

In accepting the trust committed to us, it was not expected by the Commission, and we suppose not anticipated by Congress nor the Executive Department of the government, that the desired results would be accomplished at once, nor in the brief space of a few months; but there is reason to believe that the operation of this law, and other influences, are setting strongly in the direction of reform, and that the hitherto dominant faction will be supplanted by "Young Utah" in the conduct of public affairs.

The Commission further say:

Our attention has been called to the propriety of our recommending Congressional legislation of a radical character; but we are not inclined to advise such measures, unless upon further observation and experience the wisdom and necessity of such legislation shall be demonstrated.

CAPITOL BUILDING AND GROUNDS.

The Architect of the Capitol reports that, according to law, rooms are being made in the crypt of the Capitol for the storing of books connected with the Congressional Library; that a need exists for greater accommodation for Congressional committees, and that the fire-room connected with the office of the Clerk of the House has been extended in a fire-proof manner, and fitted with metallic file-cases and shelving.

In the Capitol building a large amount of painting and repairing has been done. The dome has been entirely repainted, a measure rendered necessary for the preservation of the iron work by the decay of the old coating of paint.

The Architect advises an early renewal of the copper portion of the roof over the library. The old roof, which was badly impaired during the construction of the dome, is now so weak that it can no longer be kept weather-tight.

The heating and ventilating apparatus in the Capitol has been kept in good order, and has acted in the most satisfactory manner under some very severe tests applied to it during the past year.

The boilers were examined last spring and, although they had been in continuous use during twenty-five years, they were found to be in very good condition and perfectly safe.

Experiments made with apparatus for lighting by electricity were not satisfactory in their results. The Architect desires to hasten the time when a competent electric light can be put in. It is found that leakages from the pipes through which gas is conducted to the building have destroyed some of the plants in the Capitol grounds.

The dynamo-electric apparatus used for lighting the gas in the Hall of the House and in the Senate Chamber has operated well and is in good condition, a few minor repairs only being required.

The extension of the Washington court-house, authorized by act of Congress February 1, 1881, is so far advanced as to warrant the Architect in stating that it will be completed during this winter. The repairs to the old building have all been made.

The extension to the Government Printing Office has been completed,

including a stable for the accommodation of twenty horses, at a cost within that prescribed by law.

The Botanic Garden has been greatly improved during the year by cutting down the mound over the "Tiber" sewer, and by filling in the lawns and extending the walks. Next year it will be necessary to repaint the conservatory, in order to preserve the iron work.

The work of improving the Capitol grounds has steadily progressed. It will be impossible to reduce the grounds upon the west to a harmonious finish before the western terrace and staircase are completed. The joint committee upon buildings and grounds have reviewed the plans adopted for these improvements seven years ago, and are understood to favor their being carried out as soon as possible. It is hoped this matter will receive the favorable attention of the present Congress.

The appropriations for the fiscal year ending June 30, 1882, were as follows:

For Capitol extension	\$57,000
For lighting Capitol and grounds.....	30,000
For Capitol grounds.....	60,000
For extension of Government Printing Office.....	40,000
For enlarging Washington court-house	117,000

Accompanying the report is a carefully-prepared index to the trees in the Capitol grounds; a set of historical notes upon the Capitol; information to strangers visiting the premises; and a statement of the observations made by the chief engineer of the heating and ventilating department, showing the movements of air, its temperature and humidity, and the capacity of the apparatus for forcing air into and taking it out of the building.

RECONSTRUCTION OF ROOF AND MODEL-HALL OF SOUTH WING, PATENT-OFFICE BUILDING.

An estimate of \$150,000 for this purpose is submitted and urged upon the favorable consideration of Congress.

It is apparent that the roofs and attics of the south and east wings of this building are in as inflammable a condition as were those of the north and west wings destroyed by the fire of 1877. Upon this subject attention is respectfully invited to the message of the President to the Senate and House of October 17, 1877, (House Ex. Doc. No. 2, Forty-fifth Congress, first session,) and its accompanying papers, and also to a subsequent message of December 10, 1877, (House Ex. Doc. No. 10, Forty-fifth Congress, second session.) The documents contain the reports of three several boards, two of said boards having been composed of government engineers and architects, and all concurring in the necessity for a fire-proof reconstruction of the roofs of the south and east wings. To put on new roofs and not remodel the halls under them substantially uniform with the reconstructed north and west halls, would seem unwise, as the most cursory examination would show;

and for the further reason that additional floor-space for the working force of the department might thereby be secured to the amount of 16,800 square feet without decreasing the present area for model-cases. The reconstruction of the north and west halls has increased the space for model-cases by 50 per cent. The necessity for additional office-room is universally admitted and demonstrated by competent witnesses: indeed the estimates for the clerical force of the General Land Office for the ensuing fiscal year were not placed at a justifiable amount for the reason that there would not be room in the building where an additional force could be worked to advantage. In this connection attention is invited to Senate Report No. 362, Forty-seventh Congress, first session.

Should the foregoing recommendations receive favorable consideration, I beg leave to further recommend that an unexpended balance of \$41,500 for fire-proof model-cases in new halls be made available for similar cases in the south hall, so that the cases might be ready as soon as the new hall might be ready. This balance exists from the fact that the west hall, where they were to be set up, is occupied for clerical uses by the Patent and Land Offices.

It is believed that all the principal work contemplated in the foregoing recommendations could be accomplished within the ensuing fiscal year, leaving to a subsequent Congress the determination as to the remaining or east wing of the building, as it would be unwise to undertake the reconstruction of both the south and east wings at the same time.

The work of reconstruction should be carried on, as heretofore, under the supervision of a board comprising the Commissioner of Patents, the Engineer in charge of Public Buildings and Grounds, and the Architect of the Capitol.

FREEDMAN'S HOSPITAL.

The report of the surgeon in charge shows a large increase in the number of cases admitted. During the year, 1,028 patients were admitted and 74 infants were born. There were discharged 904; and 195 died, 5 still-born. On the 30th of June last, 228 remained in the hospital, of whom 34 were white and 194 colored.

Accompanying the report is a tabulated statement of the nativity of patients, the diseases treated, the causes of death in those cases which so terminated, and the more important surgical operations performed.

The hospital has at present 300 beds. The capacity can be increased by utilizing the lecture-rooms connected with the building.

The unusual mortality shown in the report is explained by the surgeon's statement that many of the patients went into hospital only when their cases had become hopeless. A large number died within a few hours after admission. The surgeon recommends that a board of visitors be appointed, who should have the liberty of the hospital at all times. Such a board would, in his opinion, do much to give the public

a proper idea of the magnitude and facilities of the institution, and thus remove the prejudice against hospitals which seems to exist in the mind of the people.

The report recommends that, as the hospital has now become permanent, the government purchase the building and grounds.

HOSPITAL FOR THE INSANE.

The twenty-seventh annual report of the Board of Visitors of the institution shows the growing work and usefulness.

The number of patients under treatment on June 30, 1881, was 925, of whom 700 were males and 225 females.

On June 30, 1882, the number under treatment was 942.

During the year, 247 were admitted, of whom 178 were males and 69 were females. In the same time 101 died, and 129 were discharged.

Of the patients under treatment June 30, 1882, 423 were from the Army, 49 from the Navy, 14 from the Marine Hospital Service, and 456 from civil life.

At the close of the fiscal year there were 17 private patients, of whom 9 were males and 8 females.

Tables accompanying the report show in minute and interesting detail the monthly changes of population, the physical condition of those who died, the duration of disease in the cases of those who died; the duration of disease before admission, the nativity of patients, the form of disease, the time of life when insanity developed, the history of annual admissions, the mean annual mortality, and the proportion of recoveries.

The total mortality of the year, while not excessive as compared with other hospitals, was larger than the average mortality at this institution for any year of the ten years last preceding. This is accounted for by the fact that a large proportion of the population is made up of persons who served in the volunteer army, who have been inmates of the hospital for a number of years, and who are now growing old. It is reasonable to expect that for some years to come there will be a growing mortality rate in this class of patients. The rate was further swollen by a bilious disorder which appeared in the year and operated fatally in the cases of a few patients who had been rendered feeble by protracted disease of other kinds. This disorder was attributable to the impure water of the Anacostia River, then in use at the hospital. The appropriation made by Congress for connecting the hospital with the water system of Washington City enabled the authorities to supply the hospital with Potomac water, so that a reappearance of trouble from that cause need not be looked for.

The president of the board of visitors urges the necessity of carrying out the plan for detached buildings already approved and commenced upon. The completion of these additions will be a very great relief to the hospital, since it will not only enable the board to easily

accommodate the increase of population that must result from the operation of the recent act of Congress providing at this hospital for the care of insane from the Home for Disabled Volunteer Soldiers, but will conduce to the comfort, convenience, and health of all the inmates. The plan includes detached kitchens, the need for which is urgently felt.

The experiment of indoor work continues to yield an increase of satisfactory results, and the larger liberty which has recently been permitted to inmates in their movements about the buildings and grounds has been found both pleasant and beneficial in its effect.

The board recommends especially that an allowance be made in the next appropriation for the construction of a cold grapery, forcing and green house, which they represent would prove a wise and economic as well as æsthetic improvement. But above this, and as a measure of simple economy, they ask for increased shelter for neat stock and barn room for farm products.

The farm and garden at the hospital yielded products to the value of \$24,143.21. Products valued at \$7,265 were consumed on the farm.

The estimates for the next year are as follows:

For the support of the institution.....	\$266,425
For general repairs and improvements	10,000
For special improvements.....	27,500

The superintendent of the hospital submits, with the report of the board, a detailed account of the receipts and expenditures for the year, from which it appears that there was paid for subsistence the sum of \$94,251.87; for house-furnishing, fuel, lights, &c., \$22,492.29; for dry goods, clothing, books, stationery, and miscellaneous, \$14,436.62; for medical supplies for individual patients and patients' amusement, \$5,170.28; for the farm, garden, and stable, \$12,772.84; for repairs and improvements, \$14,831.75; and for salaries and wages, \$73,012.67. The total receipts were: Appropriations, \$180,792.51; for board of private patients and special attendance, \$50,179.76.

The only change in the *personnel* of the staff of the institution was brought about by the Rev. J. S. Deale, who resigned his place as chaplain after a long and most acceptable service in that capacity. The Rev. C. Herbert Richardson was appointed to the place thus made vacant.

COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.

The number of pupils under instruction in the Columbia Institution for the Deaf and Dumb during the last year was one hundred and eleven. Fifty-one of these were in the collegiate department, representing twenty States and the Federal District.

The general health of the institution has been excellent during the year.

The results of physical training in the new gymnasium are very gratifying. Six young men were graduated from the collegiate department,

four receiving the degree of B. A. and two the degree of B. S. More than twenty others were honorably dismissed who had pursued partial courses of study, and who were well prepared to enter upon the business of life.

For the expenditures of next year the directors ask \$55,000 for current expenses, \$10,000 for the erection of two small detached buildings, and \$5,000 for the improvement and inclosure of the grounds.

The directors call attention to the fact that Congress, in providing for the current expenses of this year, enacted a proviso that no more than \$22,000 out of the sum appropriated, viz, \$55,000, shall be expended for salaries and wages.

This restriction, the directors urge, would, if insisted on, cause very serious injury to the institution, as it contemplates a reduction of about \$7,000 in the amount now authorized by the board for salaries and wages.

In view of the wide range of study covered in the institution, extending over a period of thirteen years, the number of instructors employed is not unreasonable; and a comparison with rates of compensation paid in similar institutions of learning in the other educational establishments supported by the government, and in the scientific branches of the public service, shows plainly that the officers of the Columbia Institution are not overpaid.

In view of all which, the attention of Congress is respectfully called to this matter, with the belief that an examination into the facts of the case will lead to a repeal of the restrictive proviso.

HOT SPRINGS RESERVATION.

The superintendent of this reservation in his report urges the necessity for an appropriation sufficient to cover the whole cost of the improvements contemplated in the city of Hot Springs by walling and covering the creek, which now runs in its natural bed through the main street. This work should be pushed to completion at the earliest possible day. The funds now at the disposal of the department for that purpose are insufficient.

The sale of lots recently made yielded larger returns than were looked for, the price paid being considerably larger than those set by the appraisers. The value of lots is steadily increasing, owing to the steady growth of the city and the increasing fame of the springs.

YELLOWSTONE NATIONAL PARK.

The construction of the Northern Pacific and the Utah and Northern Railroads to points near the Yellowstone National Park has rendered it a popular resort for recreation and health.

Whether it would better subserve the object for which the park was by law set aside to grant to a number of persons with limited means leases of small parcels of land upon which to erect hotels for the

accommodation of visitors, or to grant an exclusive privilege of building hotels to an association of persons having control of sufficient capital to enable them to provide first-class accommodations, was a question which was presented to the department for determination. The conclusion was reached that the public interest would be better subserved by granting exclusive privileges to a firm having the control of ample capital to provide the necessary accommodations.

Accordingly, on the 1st of September last a contract was made by this department with Mr. Carroll T. Hobart, of Fargo, Dak., and Mr. Henry F. Douglass, of Fort Yates, Dak., granting to them the use of tracts of land, upon which they agree to build hotels of such design and dimensions, and at such points as may be approved by the department, to run such lines of stages within the park as the travel may render necessary, and to construct lines of telegraph from the principal points in the park to connect with the through lines constructed near it. It is provided in the contract that no greater charges shall be made for accommodations furnished and services rendered than those set forth in a schedule to be approved by the Secretary of the Interior.

Messrs. Hobart and Douglass are certified to this department as persons in all respects able to fulfill their contract. It is hoped that by the opening of the season of travel next year visitors will find comfortable accommodations provided for them. It is believed that the appropriations for the improvement of the park heretofore made have been judiciously expended in the construction of roads, bridges, and other improvements.

I have the honor to be, very respectfully, your obedient servant,

H. M. TELLER,

Secretary.

THE PRESIDENT.

PAPERS

ACCOMPANYING

REPORT OF THE SECRETARY OF THE INTERIOR.

REPORT OF THE COMMISSIONER OF THE GENERAL LAND OFFICE.

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
Washington, D. C., October 11, 1882.

SIR: I have the honor to submit herewith the annual report of the General Land Office for the fiscal year ending June 30, 1882.

The disposals of public lands under all acts of Congress embraced 13,998,780.27 acres, and of Indian lands 310,386.13 acres, making the total disposals 14,309,166.50 acres, an increase over disposals during the year 1881 of 3,415,769.35 acres.

The amount of money received from all sources in connection with disposals of the public lands was \$7,758,351.02, and from sales of Indian lands \$634,617.22, a total of \$8,392,968.24, being an increase over the previous year of \$2,984,164.08.

The following is a statement in detail of disposals and receipts:

Cash sales:	Acres.
Private entries.....	1,924,496.15
Public sales.....	7,933.13
Timber and stone lands.....	95,237.02
Pre-emption entries.....	1,351,380.85
Desert lands.....	164,955.94
*Final desert lands.....	(39,323.11)
Mineral lands.....	36,768.63
Coal lands.....	8,634.33
Excess payments on homestead and other entries.....	19,316.77
Abandoned military reservations.....	2,808.12
*Commuted homesteads.....	(376,656.10)
*Act June 15, 1880.....	(700,727.80)
Total cash sales.....	3,611,530.94
Homestead entries (original).....	6,348,045.05
*Final homesteads.....	(2,219,427.10)
Timber culture entries (original).....	2,566,686.09
*Timber culture, final.....	(23,371.12)
Locations with military bounty land warrants.....	43,865.69
Agricultural college scrip locations.....	1,040.00
Private land scrip locations.....	10,577.12
Valentine scrip locations.....	853.47
Sioux half breed scrip locations.....	840.00
Chippewa half breed scrip locations.....	240.00
Locations with Porterfield scrip.....	390.79
Lands selected under railroad grants.....	472,263.88

*The areas of homestead entries commuted with cash, and of lands originally entered under the homestead laws but subsequently purchased under the act of June 15, 1880, and the areas of final homesteads, final timber culture entries, and final desert land entries, are not embraced in the foregoing total, such areas having been previously reported with original entries of the respective classes.

Cash sales:	Acres.
State, school, and internal improvement selections	276, 111. 74
Donation claims	18, 303. 14
Swamp land selections	648, 032. 36
Total.....	13, 908, 780. 27

Sales of Indian lands:	Acres.
Cherokee strip	29, 508. 02
Cherokee school.....	298. 65
Kansas trust	210. 72
Kansas trust and diminished reserve.....	11, 760. 30
Osage trust and diminished reserve.....	81, 817. 16
Osage ceded.....	3, 260. 63
Otoe and Missouri.....	7, 343. 57
Choctaw orphan	160. 96
Pawnee.....	112, 942. 80
Sac and Fox	80. 00
Sioux	62, 763. 32
Shawnee absentee.....	200. 00
	310, 386. 13

Which added to the disposals of public lands make a grand total of.... 14, 309, 166. 40

Cash receipts:	
From sales of public lands.....	\$6, 628, 775 92
From sales of Indian lands.....	634, 617 22
From homestead fees and commissions.....	697, 968 59
From timber culture fees and commissions	232, 534 00
From fees on military bounty land warrant locations.....	1, 166 00
From fees on locations with different classes of scrip.....	116 00
From fees on pre-emption and other filings	128, 123 00
From fees for reducing testimony to writing.....	56, 897 06
From fees on railroad selections.....	4, 695 50
From fees on State selections.....	2, 436 00
From fees on donation claims	595 00
From fees for issuing patent certificates	3 00
From fees for transcripts from records furnished by the General Land Office	6, 588 75
Total	\$8, 394, 516 04

CORRESPONDENCE.

During the year there were received 91,562 letters, and 71,836 were written and recorded, covering 66,631 pages of letter record, an increase in the correspondence of the office over the previous year of ten per cent.

ACCOUNTS.

The number of accounts adjusted and audited during the year and reported to the First Comptroller of the Treasury for settlement was 3,241, embracing accounts of surveyors general, deputy surveyors, registers and receivers, special agents, &c., and covering the amount of \$9,113,855.70, being an increase of about 10 per cent. over the preceding year.

ENTRIES AND RECORDS.

The tract books of this office, which contain a record of all public land entries and selections under the various acts and grants by Congress, comprise three thousand four hundred and eighty-seven volumes of five hundred pages each, or a total of one million seven hundred and forty-

three thousand five hundred pages of entry records. These records are in constant use, and their volume is annually increased.

The total number of entries posted in the tract books, including cash, homestead, timber culture, pre-emption, desert and timber land entries, and other individual entries and filings, make an aggregate of 196,137 the past year, against 157,985 the year previous, an increase of 38,152, in entries of all classes.

The number of agricultural entries approved for patenting was 37,608, against 28,420 the preceding year, an increase of 9,188.

The number of suspended entries adjudicated by the board of equitable adjudication was 1,056. The number adjudicated the previous year was 607.

The increase in the work performed in the division of public lands during the year was about 25 per cent. The current work of this division is estimated to be now about one year in arrears.

CASH SALES.

The number of private cash entries was 10,096, embracing 1,924,496.15 acres, an increase over the previous year of 1,258,267.04 acres. 1,351,380.83 acres were also sold under the pre-emption law, an increase of 630,234.57 acres; and 7,498 homestead entries were commuted with cash, embracing an area of 1,077,383.90 acres. The total cash sales, including lands sold at public and private sale, pre-emptions, commuted homesteads, mineral lands, timber and stone lands, &c., amount to 4,728,237.95 acres. The amount of money received from cash sales was \$6,628,775.92, an average of a fraction over \$1.40 per acre.

HOMESTEADS.

The number of original homestead entries was 45,331, embracing an area of 6,348,045.05 acres, being an increase of 1,319,944.36 acres. Final proof was made on 17,174 entries, embracing an area of 2,219,427.10 acres.

TIMBER CULTURE ENTRIES.

Seventeen thousand one hundred and fifty-seven original entries were made under the timber culture laws, embracing an area of 2,566,686.09 acres, an increase of 802,386.74 acres. Final proof was made on 165 entries, covering 23,371.12 acres.

FILINGS.

The number of filings, principally of pre-emption claims initiated during the year, and not yet consummated into entry, was 42,777, covering an estimated area of 5,000,000 acres.

PUBLIC SALES.

The public sales amounted to 7,933.13 acres, embracing 5.016 acres near Toledo, Ohio, which were sold for the sum of \$16,735.22, an average of \$3.38 per acre.

Three million acres of timber lands in Minnesota have been proclaimed for sale, and will be offered in the Duluth and Saint Cloud land districts, the sales commencing in the former district December 4, 1882, and in the latter district January 15, 1883.

DESERT LANDS.

Five hundred and sixty-eight entries were made under the desert land act, embracing 164,955.94 acres, an increase over the previous year of 56,395.92 acres.

SOLDIERS' ADDITIONAL HOMESTEADS.

The number of claims of soldiers and sailors for additional homestead rights unadjudicated was—

July 1, 1881.....	149
Number received during the year.....	892
Total.....	941
Number of cases finally disposed of.....	569
Number of cases pending.....	412

being an increase in accumulated work of 263 cases during the year.

TIMBER AND STONE LANDS.

The total number of entries made during the year under the timber and stone land act of June 3, 1878, was 728, embracing 95,237.02 acres, being an increase over the previous year of 365 entries and 52,249.10 acres, or over 100 per cent.

WITHDRAWALS FOR RESERVOIR PURPOSES.

The area of lands in the States of Minnesota and Wisconsin withdrawn from disposal and held for reservoir purposes under the acts of Congress providing therefor, approximates 168,000 acres.

ARTESIAN WELLS.

Three sites for artesian wells have been reserved in the State of Colorado, amounting in area to about 1,700 acres.

HOT SPRINGS RESERVATION IN ARKANSAS.

Seven hundred and ninety-nine awarded lots in the above reservation have been disposed of during the past year in accordance with provisions of law. The whole sum realized from these disposals was \$44,201.85.

INDIAN LANDS AND MILITARY RESERVATIONS.

The proceedings of the Land Department during the past year in respect to lands embraced in sundry Indian and military reservations will be found detailed in the papers accompanying this report.

AGRICULTURAL PATENTS.

The number of agricultural patents issued during the year, embracing patents issued on cash, homestead, warrant, and scrip entries and locations, was 48,697, an increase over the number issued during the previous year of 17,056.

TRANSCRIPTS FROM RECORDS.

Number of copies furnished from patent records, 3,262. Increase, 639. Money received as fees for certified copies of records and papers, and covered into the Treasury, \$6,588.75.

MILITARY BOUNTY LAND WARRANTS.

The number of acres of military bounty land warrants located under the acts of 1847 to 1855, inclusive, was 42,800, a decrease from the previous year of 20,920 acres.

The number of military bounty land warrants issued under the acts of 1847, 1850, 1852, and 1855, from the commencement of operations under said acts to the close of the fiscal year, was 551,886, embracing 61,058,110 acres.

The number of warrants outstanding and not located on June 30, 1882, was 21,568, embracing 2,454,340 acres.

PRE-EMPTIONS.

Number of pre-emption cases acted upon during the year:

Contested cases decided	677
<i>Ex parte</i> cases approved	7, 142
Total	7, 809

An increase over the previous year of 1,698 cases.

Total number of cases on which final or partial action has been taken during the year, 9,375, an increase over the previous year of 3,145 cases.

Number of cases remaining undecided June 30, 1882:

Contested cases	741
<i>Ex parte</i> cases	10, 512
Suspended cases	1, 296
Total	12, 549
Number of cases undecided June 30, 1881	10, 172
Increase	2 377

The amount of work performed during the year in the division having charge of this branch of the business of this office exceeds by about one-third the amount performed the year previous.

In the meantime the amount of work in arrears has increased, by the presentation of new cases, in the same ratio.

With the exception of contested cases and town site entries, which are up to date, the general work of the division is about two years in arrears; that is to say, the present force of the division could get the accumulated work up to date in about two years, if no new work intervened. But as the total number of pre-emption cases received during the year, was 11,554, and the total number disposed of during the same period was 8,079, an addition of 3,475 cases has been made to the total work in arrears, notwithstanding the increase of 33 per cent. in the amount of work performed during the year.

STATE SELECTIONS.

The adjustment of State selections under the school and general improvement grants of Congress, which work is performed in this division, shows a like ratio of increase and arrears.

REPEAL OF THE PRE-EMPTION ACTS.

Previous to the passage of the homestead laws the pre-emption system afforded the only means by which settlers could acquire title to unoffered lands. The wise policy of Congress, maintained for many years, has been to withhold the public lands from disposal at ordinary cash sale, with a view to their occupation by actual settlers, and to prevent the appropriation of large bodies by individuals for speculative purposes. The pre-emption system was designed to enable actual settlers to establish their homes on the public domain, and thus to improve and build up the country.

With the passage of the homestead act, however, the pre-emption law became of less importance, and recent supplemental legislation having placed homestead parties on an equal footing in all respects with pre-emptors, the special utility of the pre-emption law for purposes of *bona fide* settlement on the public lands has wholly ceased.

Any person who could make a pre-emption entry can make a homestead entry. Any land that can be entered under the pre-emption laws can also be entered under the homestead laws. Under the homestead laws, also, the homestead party may purchase the land entered by him within the same time, upon the same terms, and by the same proofs as in pre-emption cases. There is, therefore, no practical necessity for continuing the double system in operation. A repeal of the pre-emption law would simplify the public business and be in the interest of public economy and good administration. Such repeal would, moreover, remove one of the causes of frauds in land entries which have approached great magnitude. The correspondence of this office, and reports from officers and special agents, indicate that a material proportion of the pre-emption entries now made are fraudulent in character, being chiefly placed upon valuable timber or mineral lands, or water rights, and made in the interest and by the procurement of others, and not for the purpose of residence and improvement by the professed pre-emptor.

CERTIFICATES OF DEPOSIT ON ACCOUNT OF SURVEYS.

The amount covered by certificates of deposit on account of surveys, examined and accepted in payment for public lands during the year, was \$1,779,182.51.

The amount of money deposited during the year under the individual deposit system was \$2,013,270.77.

MINERAL LANDS.

During the year there were sold 36,768.63 acres of mineral land, an excess over the previous year of 9,578.95 acres; 8,634.33 acres of coal land were also sold during the fiscal year.

Number of mineral entries, 1,848. Increase, 557. Number of mineral applications, 2,548. Adverse claims filed, 676. Number of mineral patents issued, 1,298. Coal patents issued, 24.

The number of mineral entries and claims remaining undisposed of was 2,224. The increase in the work performed in the division of mineral claims during the year was about 25 per cent. over the year previous. This work is now about one year in arrears, and the volume of new business is constantly increasing.

SURVEYS.

The number of surveying contracts made by surveyors general during the year, and approved by this office, was 416.

Two thousand two hundred and ninety-eight township plats and accompanying field notes of surveys of public lands and private land claims, returned to this office by the surveyors general, were examined in detail during the same period. These examinations embraced a total area of 46,893,163 acres.

The total area of public lands surveyed in the several land States and Territories, from the commencement of surveying operations by the government up to June 30, 1882, is 831,725,863 acres. The estimated area of the unsurveyed portion of the public domain, inclusive of the Territory of Alaska, is 983,063, 759 acres.

SWAMP LANDS.

The amount of land claimed and reported to this office as swamp and overflowed land during the year, was 648,032.36 acres, against 152,214.99 acres claimed and reported during the year ending June 30, 1881, being an increase of 495,817.37 acres.

Patents have issued for 992,055.34 acres.

Claims for indemnity have been adjusted upon reports and testimony submitted for 244,107.85 acres, against 65,700 acres the previous year, an increase of 178,407.85 acres, or more than 170 per cent.

The total area of swamp lands approved or patented to the several States under the acts of Congress relative thereto, amounted, on June 30, 1882, to 55,769,172.03 acres.

The unadjusted claims now pending amount to 14,000,000 acres, and there is no diminution in the number of claims annually filed.

The progress of settlement in the public land States, and the rapid absorption of the public lands of the United States, have led to increased attention by investors and settlers to lands claimed under the swamp land grant, resulting in a pressing demand upon this office for the more rapid adjustment of these claims.

The work of the division charged with this service is several years in arrears.

PRIVATE LAND CLAIMS.

The number of private land claims finally settled during the year, was 307, which number includes 155 donation claims in Oregon and Washington Territory. Five claims in New Mexico and Arizona were transmitted to Congress for confirmation; 638 entries with Supreme Court scrip were approved for patent.

Preliminary examinations have been made in a large number of cases, which are still the subjects of correspondence, or are awaiting the correction of imperfections or further proof.

The number of cases in immediate progress of adjudication is 806.

Patent certificates or special plats of survey are on file in a large number of claims in which no examination has been made in late years. These cases are in order of action when called up by parties in interest.

Many thousand other claims exist which have been confirmed from time to time by various boards of commissioners, and by Congress upon reports of boards of commissioners, also by the Federal courts under authority conferred by Congress, but in which, in numerous instances, the papers on file here are not sufficiently complete to afford a proper basis for final action.

PRIVATE LAND CLAIMS IN NEW MEXICO, COLORADO, AND ARIZONA.

There have been 91 private land claims reported by the surveyors general of New Mexico, Colorado, and Arizona, and transmitted to Congress through this office and department, which are now awaiting legislative action.

The act of July 22, 1854, relative to private claims in New Mexico, the provisions of which were extended to Colorado by act of February 28, 1861, and to Arizona by the act of July 15, 1870, devolves upon the surveyors general of those districts the jurisdiction to determine the validity or invalidity of claims presented to them for adjudication, which claims are afterwards reported to Congress for its action.

The vast power thus conferred upon subordinate officers of this department has been the subject of judicial notice in cases coming before the courts.

Upon assuming the duties of this office I found the practice had been to transmit to Congress, without examination or remark, the reports of surveyors general with copies of the title papers and proofs upon which the claims were approved. While it has been held that this office has no authority to review the proceedings of the surveyors general, or even to call for or to examine the original muniments of title, I have nevertheless deemed it my duty, with the concurrence of the department, to consider their reports, and in event of any obvious error to call the attention of Congress thereto.

In my last annual report I referred to the pressing necessity for some legislation that will facilitate the early adjudication of these claims, and I would again call attention to this subject.

RAILROAD LAND GRANTS.

One hundred and seventy-six thousand four hundred and six and sixty-six one-hundredths acres of land were certified for railroad purposes during the last fiscal year. The lists of selections awaiting examination or action on June 30, 1882, embraced 1,958,392.79 acres.

Six hundred and eight and ninety-six one-hundredths miles of road were reported as constructed under the land grant system during the year, making a total of 16,239.10 miles of land grant railroad constructed in all the States and Territories up to the close of the fiscal year.

The total number of settlement claims within railroad limits awaiting original or final action at the close of the year was 5,564, an increase over the preceding year of 673 cases. Of the total number of pending cases 1,617 had received partial action, and 3,947 had not been reached for examination.

The work of the division charged with the adjustment of grants for railroads, wagon roads, and canals, and with the adjudication of claims of settlers and others within the limits of such grants, is several years in arrears.

FORFEITURE OF RAILROAD GRANTS.

The status of various grants for railroad purposes where the roads have not been constructed within the time prescribed by law, was reported to Congress on March 28 last. The absence of legislative action touching the renewal of these grants or declaring the forfeiture thereof seriously embarrasses the work of this office. It is not deemed

expedient to certify additional lands to the railroad companies, nor to award to the companies lands in dispute between them and settlers or other claimants, pending the determination of Congress in the premises. Large numbers of settlers are occupying such lands, and it is important to them to know whether they can receive their titles from the United States, or whether they will be required to purchase from the railroad companies. The prevailing uncertainty necessarily retards improvements and impairs values.

New applications are also constantly being made to enter the withdrawn lands under the public land laws.

I deem it of pressing importance to the public interests that Congress should take early action in respect to these grants.

TIMBER DEPREDATIONS.

One hundred and fifty-two civil suits and 137 criminal actions were commenced during the year, for trespass on the public timber lands. Propositions of settlement were received and acted upon in 110 cases. The number of additional cases now under investigation is 418.

The estimated value of the timber involved in the civil suits is \$160,583.86; in the cases in which propositions for compromise have been made, \$51,668.84; in the pending cases, \$298,876.78; total, \$511,069.48.

Proceedings for the protection of the public timber are now had under several different statutes, some of a general and others of a more local character. Much embarrassment grows out of this diverse legislation, portions of which are also conflicting.

It is my opinion that a general law should be enacted clearly defining the rights of citizens to take timber from the public lands for prescribed purposes, and providing penalties for unlawful cutting, removal, destruction, or waste.

In all cases where a survey and scalement is necessary to accurately ascertain the extent of an alleged trespass, I would respectfully recommend that the expense thereof should be authorized to be charged to the party committing the trespass as a part of the costs in the case.

SPECIAL AGENTS.

Timber agents and other special agents employed in the service of the Land Department are allowed, under existing laws and regulations, to charge for their actual personal expenses an amount not exceeding \$4 per day. This plan involves a great amount of labor in the adjustment of the details of special agents' accounts (vouchers for each item of expense in excess of \$1 being required), and results in no economy to the government. I am of the opinion that a fixed allowance, say \$3.50 per day, for personal expenses, instead of not exceeding \$4 as at present, would be cheaper for the government and more satisfactory to the agent, while the time and labor expended in auditing their accounts would be materially lessened.

FRAUDULENT LAND ENTRIES.

Investigations made during the past year have developed the existence of much fraud under the shield of the pre-emption, homestead, and timber culture laws.

These investigations have been based upon complaints made to this

office that great quantities of valuable coal and iron lands, forests of timber, and the available agricultural lands in whole regions of grazing country have been monopolized by persons who have caused fraudulent pre-emption and commuted homestead entries to be made by their agents and employés.

A proper investigation of the numerous complaints that are constantly being received would require the employment of a large force of special agents, and involve an expense far beyond the customary appropriations by Congress available for that purpose.

Efforts have been made to check unlawful acts of this character in the coal and iron regions of Alabama, the timber regions of Minnesota, the grazing country in California, and on agricultural lands in the Territory of Dakota, by the special investigation of cases of alleged fraud, trials before local land officers to cancel illegal entries, and the institution of civil and criminal suits. These proceedings have, however, necessarily been confined to one or two localities in each of said States and Territories, owing to the limited facilities of this office for such service.

Proceedings have also been instituted in the State of Missouri by the proper law officers of the United States to recover the title to several hundred thousand acres of land in that State fraudulently entered many years since under the graduation act, which act has been repealed.

I have recommended herein the repeal of the pre-emption law, the same having been practically superseded by the homestead law and especially by the commutation feature of the latter act.

COMMUTED HOMESTEADS.

It is a matter of serious question whether the time within which homestead parties are allowed to commute their entries by the payment of cash should not be extended so as to require proof of actual residence, improvement, and cultivation for at least one year before such payment should be received. This extension of time would be no longer than reasonably necessary to establish the good faith of the parties, and would be no hardship to *bona fide* settlers, while the opportunities and inducements for fraudulent entry would diminish in proportion to the length of time for which residence, improvement, and cultivation are required to be shown.

TIMBER CULTURE CLAIMS.

The period has but just commenced when the earlier entries made under the timber culture act can be proven up. The fraudulent proceedings at the present time under the operations of this act are not, therefore, that legal title has actually been obtained by unlawful methods, but that fictitious entries are initiated for the purpose of holding the land out of market and selling to others relinquishments of the right of occupation so acquired.

It is alleged by numerous correspondents, and in the reports of officers and agents of this department, that operations of this character are carried on to a very great extent, notably at the present time in Dakota, Nebraska, and Minnesota, and that as a rule, in proportion as public surveys progress over territory subject to such entry, the lands are covered with fictitious claims, and actual settlers are compelled to pay to speculators, or persons holding the claims, a bonus for the privilege of entering the land in a legal and proper manner under the public land laws.

The utility of the timber culture law as an inducement to the cultivation of trees that would not otherwise be planted has sometimes been questioned, since settlers under the homestead law in treeless regions find it one of the necessities of the situation to set out and cultivate trees, and their interest to do this is a usual guaranty that it will be done. At the same time, I am not inclined to recommend the repeal of a law of so beneficent an intention as the timber culture act. But I deem it incumbent upon me to refer to the abuses to which it is subject.

UNLAWFUL OCCUPATION OF THE PUBLIC LANDS.

The illegal inclosure of the public lands in certain States and Territories, and the exclusive occupation of large tracts by private parties to the deprivation of the rights of others and the impediment of settlement and intercourse, have become matters of serious complaint.

A usual method of proceeding is that title is legitimately or otherwise obtained to the streams or water rights, and then the surrounding country, frequently for many miles in extent, is inclosed with fences, and all citizens warned off and their stock driven away.

In other cases the public lands are inclosed in this manner where no pretext of ownership or of legal claim to any part of the land exists. The usual routes of travel are also cut off by these inclosures, and the inhabitants of the country are in many instances compelled to go a great way around or to tear down the fences, thus incurring the risk of disturbance and perhaps bloodshed.

Letters received at this office from many persons and reports made by officers and agents of this department, disclose the fact that unlawful proceedings of this character are carried on to a great extent, and future serious trouble is apprehended between settlers and residents and the "cow boys," as employés of the stockmen are called.

It appears also that in some cases State laws have provided for a nominal tax upon "possessory rights," the effect of which is represented to be to locally legalize this infringement upon the laws of the United States; and citizens who have attempted to make settlements and entries within the limits of these ranges in accordance with the land laws of the United States have been ousted by judicial decree.

It is manifest that some decisive action on the part of the Federal Government is necessary for the maintenance of the supremacy of the laws and to preserve the integrity of the public domain.

It is undoubtedly true that the vast plains and mountain ranges west of the Mississippi River must be relied upon for an important proportion of the sheep and cattle husbandry required by the necessities of national consumption, but it does not therefore follow that this industry should be the subject of individual or corporate monopoly any more than that other agricultural pursuits should be so controlled.

The unimpeded progress of settlement will in due time bring the whole of the territory of the United States within the compass of private ownership. Meanwhile the unappropriated public lands suitable for grazing herds of cattle should be equally free to the enterprise of all citizens unembarrassed by attempts at exclusive occupation.

Existing laws (act March 3, 1807, 2 Stat., 445) authorize the President to direct the marshal of the proper district to remove unlawful boundaries placed on the public lands, and to remove persons unlawfully in possession thereof, and further authorize the employment of military force when necessary for this purpose. A forfeiture of any and all rights to land so occupied is also declared.

I have hesitated to recommend the summary exercise of the power vested in the Executive by this act, although it may yet become necessary to invoke that authority.

It is my opinion that a statute is required imposing penalties for the unlawful inclosure of the public lands, for and preventing by force or intimidation legal settlement and entry.

I respectfully recommend that the attention of Congress be invited to this subject.

ESTIMATES.

The estimates submitted of appropriations required by this office for the service of the fiscal year ending June 30, 1884, embrace the following:

SALARIES AND CONTINGENT EXPENSES.

Commissioner.....	\$5,000
Assistant Commissioner.....	3,000
Chief clerk.....	2,500
Law clerk.....	2,500
3 inspectors, at \$2,500 each.....	7,500
Recorder.....	2,400
3 principal clerks, at \$2,400 each.....	7,200
7 chiefs of division, at \$2,400 each.....	16,800
Receiving clerk.....	2,000
24 clerks of class 4.....	43,200
40 clerks of class 3.....	64,000
52 clerks of class 2.....	72,800
52 clerks of class 1.....	62,400
27 clerks, at \$1,000 each.....	27,000
48 copyists, at \$900 each.....	43,200
Messenger.....	840
8 assistant messengers, at \$720 each.....	5,760
6 packers, at \$720 each.....	4,320
12 laborers, at \$660 each.....	7,920
For additional force previously paid from special funds:	
3 clerks of class 3.....	4,800
2 clerks of class 2.....	2,800
3 clerks of class 1.....	3,600
6 copyists, at \$900 each.....	5,400
Miscellaneous and contingent expenses.....	57,000
Total.....	\$453,940

The foregoing estimate shows an increase over the amount appropriated for the current fiscal year of \$33,940, which is made up as follows:

1. An increase of \$1,000 in the compensation of the Commissioner is submitted because the present salary of \$4,000 is not commensurate with the duties and responsibilities of the office, and because of the unprecedented increase in the business of the office, and consequent increase in the duties of the Commissioner.

2. An estimate is submitted of \$3,000 for an assistant Commissioner. The numerous and complicated duties now devolving upon the head of the bureau necessitate some division of executive labor and responsibility.

3. The salary of the chief clerk is estimated at \$2,500, an increase of \$500. The chief clerk must be fully competent to take charge and control of the bureau at all times, and his other and proper duties being intricate, complex, and arduous, fully deserve the salary estimated for.

4. The salary of the law clerk is estimated at \$2,500, an increase of \$500. The compensation estimated is moderate considering the nature

of the work and qualifications required of the law officer of a bureau having consideration and initial determination of legal questions pertaining to land titles and claims included in the whole public domain of the United States.

5. The estimate of salaries for three inspectors of the offices of surveyor-general and of district land offices is increased to \$2,500 each. The compensation of \$2,000, provided by the act of August 5, 1882, is deemed inadequate to the character of the work required.

6. The salaries of the recorder, of the three principal clerks of surveys, public lands, and private land claims, and of seven chiefs of division, are estimated at \$2,400 each, an increase of \$600. The recorder is charged with superintending the issue of all public land patents, and his office is one of great responsibility, requiring a high degree of intelligence and integrity. The three principal clerks and seven chiefs of division have immediate charge and direction of the varied and important work assigned to their respective divisions. The long service of the gentlemen occupying these posts of trust, the magnitude of the labor performed by them, the importance of the duty and the ability demanded for its discharge, merit the increased compensation asked for. At present they are paid as ordinary clerks of the fourth class, a rate disproportionate to the class of services absolutely required in these positions.

7. An increase of \$200 is estimated for the compensation of the receiving clerk, who is the financial officer.

The attention of Congress has frequently been called to the inadequate remuneration of the important officers of this bureau, and the amount of compensation now estimated for is believed to be within the most moderate limit, and no greater than that allowed in corresponding positions in other departments of the government.

Number of employés.

The estimates comprehend a reduction of eight clerks of class four, caused by the recommendation that seven chiefs of division and the receiving clerk be classed at an increased rate of compensation. The total number of employés remains the same as under the appropriation for the current fiscal year, with the addition of an assistant Commissioner.

Additional clerical force and office room.

In a supplemental estimate I have asked for one hundred additional clerks, and for sufficient additional room for their accommodation.

The regular annual estimate is for a force barely sufficient to keep up with the current work of the office, and is insufficient even to meet the additional work arising from the growing increase in the volume of disposals of public lands.

Meanwhile there is a large amount of work in arrears which obvious considerations of public interest require should receive immediate attention.

The trouble and loss resulting to citizens who are unable to secure their titles within reasonable time is frequently serious, and all accumulation of work in arrears impedes the current business of the office and involves an additional expense in the end.

The marked increase in the amount of work performed in the past year over that of the year previous is largely owing to the additional

temporary force allowed by Congress during the last three months of the fiscal year.

An equivalent force that could be continued for two or three years would, in my opinion, enable the work in arrears to be brought within reasonable limit, and I earnestly urge that the additional appropriation asked for in my supplemental estimate be provided by Congress.

At the same time an increased clerical force could not be accommodated in the present building. Provision for additional office room is therefore equally as necessary as provision for additional clerical force.

Classification of principal clerks.

I would call attention to the unnecessary distinction maintained in the classification of the principal clerks of this office. Originally there were but three, viz: of public lands, of surveys, and of private land claims. The early statutes provided for the appointment by the President, by and with the advice and consent of the Senate, of these "three principal clerks" for the above respective subdivisions of the General Land Office. At this period there was but one method provided for the disposal of the public lands—that of cash sale. Since then additional methods have been adopted, and the general business of the office has also increased with the growth of the country. There are now ten divisions besides that of the recorder, each of which is charged with the work of an important branch of the business of the Land Department.

There is no difference in the character of the duties and responsibilities of the chiefs of these divisions. The services of all are of equal dignity and importance; the degree of ability and experience required is the same in each case, and the compensation is uniform.

There is no reason why three of these positions should be filled by Presidential appointment that would not equally apply to all of them. I would respectfully recommend that the existing distinction be abrogated, and that the three principal clerks, the recorder, and other chiefs of divisions be placed on an equal footing in this, as in other respects, and that the appointments of all be made in the same manner as the appointments of similar officers are made in other executive departments.

Respectfully submitted.

N. C. MCFARLAND,
Commissioner.

Hon. HENRY M. TELLER,
Secretary of the Interior.

REPORT OF THE COMMISSIONER OF INDIAN AFFAIRS.

DEPARTMENT OF THE INTERIOR,

OFFICE OF INDIAN AFFAIRS,

Washington, October 10, 1882.

SIR: In compliance with the law requiring the Commissioner of Indian Affairs to make an annual report of the condition of affairs connected with his bureau, I have the honor to submit herewith my report for the year 1882. Evidently this law contemplates that the report thus required should show not only operations of the past year and the present condition of affairs, but also make such suggestions and recommendations, based upon the year's experience, as would be beneficial to the service.

The operations and results of the last year in the different agencies, which will be more fully described and explained under their appropriate heads, will, I think, compare favorably with any one of the preceding years. Land has been opened to cultivation; houses for Indian residences have been built; schools opened and operated; and in many cases, and in various ways, the cause of civilization generally advanced; and I might, with this general statement of facts, proceed to give a separate chapter of each reservation and agency; and follow these with the tabulated statements required by section 468 of the Revised Statutes. But such a report would not, in my opinion, be discharging my whole duty, nor would it be such a report as the framers of the law contemplated. When the rules and regulations under the law governing the operations of the Indian Department become perfect, and the machinery less multiform and complicated, such a report might answer the purpose; but until such is the case, a report should not only state what has been done, but also what changes would be advantageous to the service.

DELAY IN SETTLEMENT OF ACCOUNTS.

Too much machinery is often worse than too little, and, in my judgment, there is now too much machinery in use in the settlement of accounts connected with this bureau. I say this with a full knowledge gained by an experience of many years of the absolute necessity of proper checks and balances in the manner of keeping and settling accounts. But after an individual has complied with his contract and produces his vouchers certified and signed by the legally appointed officers, showing that he has performed his undertaking in letter and spirit, he is in all fairness entitled to the prompt payment of the compensation stipulated. But such, I am compelled by personal knowledge to say, is not the case as the law now stands. After all has been done as above indicated, honest claimants have in very many instances been compelled to chase their accounts through twelve or fifteen departments of the government, consuming weeks and even months, and in some instances years of time, until hope has sickened into despair, and men have grown gray waiting for the tardy footsteps of the messenger from whose hands they should long before have received their just dues.

It is no answer to this to say that the system now practiced has been long in use and therefore ought not to be changed. This is no argument for its continuance unless it can be shown that age sanctifies error. I make this statement in the interest not only of fair and honorable dealing, but also and particularly in the interest of economy for the government. A prompt paymaster gets more for his money than one who is not prompt; and when it is understood that delay may be expected in receiving payment for labor or material furnished, those who furnish the labor or material make their calculations accordingly, and charge enough to pay them for waiting. The system of purchasing the annual supplies for the Indian service by inviting and receiving sealed proposals is productive of a healthy competition, and the opening of these bids and awarding the contracts in the presence of the bidders leaves no just ground for charges of unfairness or favoritism, and, in my opinion, there is not much room for improvement in that respect; but I desire to repeat and emphasize it, that the law in reference to settling the accounts ought to be changed.

INDIAN AGENTS.

Among the many causes which exist tending to retard the improvement of the Indians, one very important one is the difficulty of procuring men of the right stamp to act as agents. We have over a quarter of a million of Indians scattered over many thousands of miles of territory, many of the points at which they are located being difficult of access. Many of these Indians, outside of the five civilized tribes, are wild roving nomads, preferring savage to civilized life. These are an untutored and untractable people, who are naturally indolent, improvident, and shiftless, and very impatient of restraint or discipline. The object of the government is to transform these uncivilized people into peaceable, industrious, and law-abiding citizens, and for this purpose a system has been devised, good in many respects; but when we come to operate that system we make a fatal mistake, and a mistake which, if not corrected, will, in my opinion, prevent for generations the accomplishment of good, which might otherwise be reached in one decade. I refer, of course, to the present system of appointing and paying the men who have the immediate charge of the Indians, and who are known as Indian agents. When the fact is once clearly established that an agent is utterly unfit from any cause for his place, he ought, on any theory of sound business principles, to be removed *at once*, and a more suitable man put in his place; but it requires as much machinery now, and frequently more time, to get a new agent appointed than it does to appoint a minister to the Court of St. James. Within the last year seven entire months were consumed in making such a change at one of the agencies, where any correct business man transacting his own business would have made the change in less than seven days. This is the fault of the law, and ought to be changed.

These Indian agents furnish the precept and example to which we must look more than to any other cause or influence as a means of changing the habits, manners, and customs of the Indians. If the agent is an *honest, industrious, and intelligent Christian* man, with the *physical* ability and disposition to endure hardship and courageously encounter difficulty and disappointment, or, in other words, if he is morally, mentally, and physically above the average of what are considered good men, he will work wonders among these wards of the nation. And I but state what every thinking man must know, that, as a *rule*, this class of men cannot be procured to cut themselves off from civilization and deprive themselves and families of the comforts and advantages of civilized society for the pittance which is now paid to Indian agents. Occasionally men have been found who, for the good which they hoped to accomplish, have voluntarily exiled themselves and labored for the good of these people, but they generally found more trouble from their surroundings and less moral support from the government than was expected, and, becoming discouraged and disheartened, have retired from the service, leaving their places to be filled by less competent men. One agent, in tendering his resignation a few weeks since, uses the following language:

I have labored faithfully for the good of the Indians, dealing honorably with all men, but I have at last become disheartened, and feel that life is too short to waste any more of it here.

One great cause of embarrassment and discouragement to Indian agents is the trouble and annoyance they find in keeping their accounts so as to comply technically with all the regulations and rulings in reference to the final settlement of their accounts. As the matter now stands, an agent may execute to the letter an order given him by the

Secretary of the Interior for the payment of money, and yet that item in his account may be suspended against him, and he and his sureties be compelled by law to pay the money again. The result is, if he refuses to obey the orders of his superior he loses his position, and if he obeys he loses his money.

I give it as my honest conviction as a business man, after one year and a half of close observation, in a position where the chances for a correct knowledge of this question are better than in any other, that the true policy of the government is to pay Indian agents such compensation and place them under such regulations of law as will insure the services of first-class men. It is not enough that a man is honest; he must, in addition to this, be capable. He must be up to standard physically as well as morally and mentally. Men of this class are comparatively scarce, and as a rule cannot be had unless the compensation is equal to the service required. Low-priced men are not always the cheapest. A bad article is dear at any price. Paying a man as Indian agent \$1,200 or \$1,500, and expecting him to perform \$3,000 or \$4,000 worth of labor, is not economy, and in a large number of cases has proven to be the worst kind of extravagance. The wholesale, sweeping charge of dishonesty sometimes made against Indian agents is not true. Some of them are good and true men, doing the very best they can under the embarrassing circumstances by which they are surrounded; and some of them are capable; but I repeat, the inducements for such men to remain are insufficient, and the difficulties and discouragements which they meet, crowd them out of the service, and until all Indian agents are selected and paid as a good business man selects and pays his employés (which is not the case now), it need not be wondered at if many of them are incompetent, and a few of them dishonest.

CO-OPERATION OF RELIGIOUS SOCIETIES.

One very important auxiliary in transforming men from savage to civilized life is the influence brought to bear upon them through the labors of Christian men and women as educators and missionaries. This I think has been forcibly illustrated and clearly demonstrated among the different Indian tribes by the missionary labors of the various religious societies in the last few years. Civilization is a plant of exceeding slow growth, unless supplemented by Christian teaching and influences. I am decidedly of the opinion that a liberal encouragement by the government to all religious denominations to extend their educational and missionary operations among the Indians would be of immense benefit. I find that during the year there has been expended in cash by the different religious societies for regular educational and missionary purposes among the Indians the sum of \$216,680, and doubtless much more which was not reported through the regular channels. This is just so much money saved to the government, which is an item of some importance, but insignificant in comparison with the healthy influences created by the men and women who have gone among the Indians, not for personal pecuniary benefit, but for the higher and nobler purpose of helping these untutored and uncivilized people to a higher plane of existence. In no other manner and by no other means, in my judgment, can our Indian population be so speedily and permanently reclaimed from barbarism, idolatry, and savage life, as by the educational and missionary operations of the Christian people of our country. This kind of teaching will educate them to be sober, industrious, self-reliant, and to respect the rights of others; and my delib-

erate opinion is, that it is not only the interest but the duty of the government to aid and encourage these efforts in the most liberal manner. No money spent for the civilization of the Indian will return a better dividend than that spent in this way. In urging this point I do not wish to be understood as claiming that all the good people are inside the churches and all the bad ones outside; but a little observation, I think, will convince any one that a very large proportion of those who sacrifice time and money for the good of others is found inside of some Christian organization. If we expect to stop sun dances, snake worship, and other debasing forms of superstition and idolatry among Indians, we must teach them some better way. This, with liberal appropriations by the government for the establishment of industrial schools, where the thousands of Indian children now roaming wild shall be taught to speak the English language and earn their own living, will accomplish what is so much desired, to wit, the conversion of the wild, roving Indian into an industrious, peaceable, and law-abiding citizen.

NEED OF MORE LIBERAL APPROPRIATIONS.

This result, however, cannot be reached in any reasonable time unless the means are commensurate with the end to be attained. The conditions which now surround the case are very different from those that existed in the years of the past. The game upon which the Indian subsisted is fast disappearing, and he must of necessity look for subsistence from some other source. The vast domain which he once called his own, and over which he roamed at will, is rapidly being absorbed by the white people, who insist that these fertile valleys and mountains rich in mineral deposits shall no longer remain locked up and shut out from the enterprise and industry of the white race. The commercial interests of the country seem to demand that the means of communication between one section of the country and another shall not be obstructed by denying the right of way for trade and traffic; and as a consequence railroads are penetrating these reservations once set apart for the home of the Indian, and in which he had a right to suppose he would not be disturbed.

I do not stop now to canvass the question of right or justice. I only point to the inevitable, and claim that it is unquestionably the imperative duty of the government, as well as the soundest and safest policy, to provide the safest, surest, and most equitable means to induce the Indian to abandon the manners, customs, and traditions of his fathers, and accommodate himself to the new and better way. This can only be done by appropriations much more liberal than those made in the past. If one million of dollars for educational purposes given *now* will save several millions in the future, it is wise economy to give that million at once, and not dole it out in small sums that do but little good. The more thoughtful and intelligent of the Indians comprehend and appreciate the situation, and are anxious to put themselves in condition to meet the new order of things which they see is certain to come, and which will either elevate them in the scale of being, or exterminate them. Chief Keokuk, son of the celebrated chief of that name, said to one of our special agents only a few days ago, "We want schools, churches, and laws, to make our people abandon the wild, roving life of Indians, and become a settled, industrious, and peaceable people."

Within the last few months the Pottawatomie Indians have prepared and submitted to the department for approval, a code of laws for their own government, thus clearly indicating that the thoughts of the Indians are being turned in the right direction.

UNJUST DISCRIMINATION BETWEEN INDIAN TRIBES.

I called attention in my last report to the fact that the Indians who obey law and try to conform to our customs, and to cultivate habits of industry and sobriety, are not encouraged as they should be; while Indians who are lazy, turbulent, and insubordinate, get what they demand. If the Indians are in fact the wards of the nation, it is the imperative duty of the government to treat them as a prudent and kind guardian should treat a ward, and this can only be done by rewarding the good and punishing the bad. Rewards should be liberal and promptly given, and punishments should be sharp, quick, and positive. No delay in either case; let the effect follow the cause with certainty and rapidity. Delay in either case lessens the effect intended to be produced.

I feel that I cannot too strongly urge this, because unless a different policy in this respect is pursued in the future from that practiced in the past, bad Indians will increase and good ones decrease. They must be made to know that vice will not be rewarded, nor will virtue be punished. We are to-day feeding with a liberal hand, and at a cost of hundreds of thousands of dollars, a tribe of Indians who have made insolent demands, and defiantly threatened war unless their demands were complied with, while at the same time we are allowing quiet and peaceable Indians to struggle with adverse circumstances on the verge of starvation. The Indians see this and the effect must necessarily be bad.

SURVEYS OF INDIAN RESERVATIONS.

One fruitful source of trouble and conflict between Indians and white people arises from the fact that in very many cases it is impossible to tell where the reservation lines are. The Indians claim the line to be in one place and the white man, who is a farmer, a miner, or a herder, claims it to be in another. The only remedy for this is by surveying and plainly marking the boundary lines; this would save much trouble and many lives. I made an earnest request for an appropriation of \$100,000 for this purpose at the last session of Congress, but only \$5,000 was given. In 1880 it was estimated that there were not less than 6,000 miles of unsurveyed reservation boundaries. But little change has occurred since. Were it not for the aid generously extended by the War Department during the year past the office would have been extremely embarrassed in several cases where surveys were absolutely required to prevent threatened conflicts between Indians and whites. Agents at the different agencies are urging the necessity of having the boundaries fixed, and it is to be hoped that this matter will not be neglected at the approaching session of Congress. Where it has not already been done arable lands within the reservations should be subdivided, to enable the agents to allot lands in severalty to Indians as fast as required.

APPROPRIATIONS COVERED INTO THE TREASURY.

In reference to the amount of appropriations for the Indian service, I wish to call attention to the fact that many thousands of dollars are annually appropriated, which, on account of the peculiar character of the law governing these appropriations, cannot be and never are used; and this fact ought to be considered in making the appropriations. The books in this bureau show that \$228,170.22 have been returned to the Treasury for the last year, for which the accounts are made up. And connected with this fact is another kindred one, to wit: supplies amount-

ing in some instances to many thousands of dollars are purchased and paid for out of money appropriated for the Indian service, but before these supplies are consumed the Indians are removed to some distant locality, the supplies are sold, and every dollar realized from the sale goes back into the Treasury; but all the expense of care and sale must be paid from the contingent fund, for which no calculation was made when the contingent fund was appropriated. The law should be so amended as to allow all expenses of this kind to be paid from proceeds of the sale of the property. For proof and illustration of this condition of affairs I refer to the recent operations on the Malheur Reservation.

CONSOLIDATION OF AGENCIES.

There are at present fifty-nine Indian agencies, fifty-eight of them in charge of agents whose salary is provided for by Congress, and one in charge of a military officer acting as Indian agent. A reduction of eight agencies has been made during the fiscal year. Reduction in the number of agencies has been the aim of this office for several years past, and has been frequently recommended by my predecessors. The objects sought have been, (1) reduction in the cost of maintaining agencies; (2) the consolidation of the Indians upon reservations where they may be best protected in their personal and property rights, and (3) the sale of the lands vacated by the consolidation and the use of such portion of the funds arising therefrom as may be necessary in the settlement of the Indians upon the reservations to which they may be removed, the balance of the money to be funded for their use, and the interest thereon to be expended in lieu of direct appropriations for their benefit. This plan is still urged and believed to be for the best interests of all concerned.

But the consolidation of agencies (so called) made at the last session of Congress has not been productive of the good results hoped for by those who advocated the measure. The Indians and all the property and machinery of an agency have been left just where they were and as they were, except that the person in charge is not called an agent, nor can he receive or disburse money. The one man, who is the agent for all of the points attempted to be consolidated, is alone responsible for all the property, and must necessarily travel from one to another: this involves much expense of time and money; and inasmuch as all the accounts have to be examined and reviewed at the point where the agent is located, it requires additional clerical force, and I have found some difficulty, even at this early period of the fiscal year, in finding funds for the payment of the agent's traveling expenses and the additional clerical force required. As a rule it is safe to say that any attempt at consolidation that does not consolidate the Indians by placing them on the same reservation must result in failure to accomplish any good and be almost certain to give much trouble.

The last Indian appropriation act simply legislated agents out of office on June 30, 1882, made no provisions for their salaries or expenses until such consolidation should be completed, and provided no funds by which the Indians could be brought together. A special appropriation should be made to enable this office to carry into effect the provisions of section 6 of the act above referred to, or a sufficient sum for the purpose should be added to the appropriation for contingencies of the Indian service.

ISSUES OF RATIONS.

In accordance with suggestions made by some members of the Committee on Appropriations at the last session of Congress, I decided at the commencement of the present fiscal year to have the supplies purchased for Indians under existing appropriations divided into fifty-two parts, and instructed agents to issue one fifty-second part each week, so that the amount appropriated for should last to the end of the fiscal year.

The following is the text of the instructions issued :

In purchasing these supplies the funds appropriated by Congress for the fiscal year 1883 have been exhausted, reserving only sufficient for the purchase of annuity and other goods estimated for by you, pay of employes, and such incidental expenditures as may arise during the year. You are therefore directed to divide the above-named supplies by the number of weeks (52), and issue only one fifty-second part of the same per week. Under no circumstances will you be allowed to incur any deficiency, and you will be held responsible for the execution of this order.

This has caused much dissatisfaction among many of the tribes, and a threatened outbreak in some instances; but the system will be adhered to, unless Congress orders otherwise.

EVIL OF CASH ANNUITIES.

In many cases the law now requires money to be paid to certain tribes of Indians. In a majority of these cases, if the law left it in the discretion of the department to pay in cattle or sheep, instead of cash, the result would be much more beneficial to the Indian. This is eminently true in the case of the Uintah and other Utes. The country occupied by them is a good grazing country, but not well adapted for agricultural purposes. If, instead of compelling payment to them in money, as the law now stands, they could be paid in cattle, they could in a few years become self-supporting. The money paid to them does them but little good. In one day, immediately after a cash payment was made to the Utes, two thousand dollars were spent for firearms, ammunition, and whisky in Salt Lake City, and in a very short time nine-tenths of the payment went in the same direction. If they are the wards of the nation, we should see to it that they get only such things as are beneficial, and not such as are injurious.

While upon this subject I wish to call attention to the fact that there is no law to punish any one for selling firearms to Indians, and the consequence is that the worst and most troublesome Indians are armed with the best breech-loaders that can be found in the market. It is hoped a stringent law may be passed to prevent, as far as possible, this cause of trouble and loss of life.

INCREASE IN THE CLERICAL FORCE OF THE BUREAU.

For many years complaint has been made by the accounting officers of the Treasury that the accounts rendered quarterly by the Indian agents were so much delayed in the Indian Bureau that in a majority of cases, before a final settlement could be reached, the sureties on the bonds and the witnesses whose testimony would be necessary in establishing facts connected with suspensions in these accounts could not, on account of death or some other cause, be reached. Congress very wisely at the last session made an appropriation of \$4,000 specially for the purpose of bringing up these accounts. With the aid thus afforded I have been able to bring them up nearer to date than they have

been for many years. This has resulted in much saving of trouble and a much better understanding of the condition of the current business at the agencies, and, it is safe to say, the saving of money to the government.

I venture in this connection to make a suggestion which, if followed, will be of much pecuniary advantage. I refer to the fact that an immense amount of work is done in this bureau for outside parties, for which not one cent is paid. Other departments of the government charge for copies of papers and documents, but the Indian Bureau does all this work, amounting to thousands upon thousands of pages, for nothing; and the time of clerks, for whose salaries appropriations are made, is taken up with this kind of work, and consequently to the neglect of the work for which they are employed and paid. The same rule, it seems, to me, that is practiced by other bureaus ought to be allowed in this. The law now fixes the number of clerks and the compensation of each, and no change can in any case be allowed. This is done on a basis of what is supposed to be absolutely necessary for the performance of the duties of the office. If no work for outside parties had to be performed, this rule might answer; but if (as is frequently the case) the time of three or four of the best clerks is occupied for days in making examinations and preparing copies of papers not belonging to the regular work of the office, it follows as a consequence that the regular work of the bureau must to that extent be neglected and the public business suffer. The remedy for this can be found in one of two ways: either make the appropriations sufficiently large to meet these calls from outside parties, or allow the usual charge for this class of work, and the use of the money thus realized for extra clerical labor. Either of these plans will accomplish the desired object, and if, in addition to this, it was allowable to employ clerks at what they are worth, instead of the iron rule now in force, more work could be done, more people employed, and money saved. This bureau is allowed one messenger, one assistant messenger, and one laborer. The rooms occupied by the different divisions are a long distance apart. Many times every day chiefs of divisions and the higher grades of clerks are compelled to leave their desks to seek or give information, which could just as well be performed by a messenger boy at \$1 per day. Good business men do not conduct their business in this manner.

The appropriation of \$4,000 wisely given by Congress at the last session for the employment of clerical labor for a special purpose was not trammelled by any restriction as to the compensation which should be paid to clerks, and as a consequence I am able to say what could not have been truthfully said in the last ten years, to wit: That there are no agents' accounts unsettled in this office outside of the present fiscal year.

DEFICIENCIES IN APPROPRIATIONS.

The funds appropriated by Congress in the regular appropriation bill for the support of the Indians during the fiscal year proved to be entirely insufficient, mainly owing to the high price of beef and flour; and had it not been for the additional appropriation in the sundry civil bill of \$200,000 for the purchase of beef, and \$25,000 for the support of the Jicarilla and Mescalero Apaches, this office would have been greatly embarrassed and serious difficulties been the result. The amount appropriated for the subsistence of the Sioux under agreement made February 28, 1877, was insufficient by \$500,000. Article 5 of this agreement provides for furnishing each individual with a daily ration of $1\frac{1}{2}$

pounds beef, one-half pound of flour, one-half pound of corn, and for every 100 rations 4 pounds of coffee, 8 pounds of sugar, and 3 pounds of beans, or in lieu of said articles the equivalent thereof, in the discretion of the Commissioner of Indian Affairs. According to the reports of the agents, there are now on the different Sioux reservations 26,683 persons, who, under article 5 of the above treaty, are entitled to 29,217,885 pounds beef gross, 4,869,647½ pounds of corn and flour each, 292,179 pounds of beans, 389,572 pounds of coffee, and 779,144 pounds of sugar, costing at contract prices \$1,558,847.68. The amount appropriated by Congress for subsistence of the Sioux, including transportation of all supplies from steamboat landings and terminus of railroads to agencies, is \$1,075,000, of which at least \$50,000 will be required for transportation, making a deficiency of \$500,000, for which an estimate will be submitted to Congress at its next session. As this amount is due under treaty stipulations, it is hoped it will be furnished.

The only other deficiency to be provided for by Congress will be about \$50,000 for "transportation of Indian supplies." For that purpose \$275,000 were appropriated by Congress, but this amount will not be sufficient to pay for all the transportation; and as the right to incur deficiency for transportation was conceded at the last session of Congress by the House Committee on Appropriations, I have no doubt that the additional amount required will be appropriated.

Section 8 of the act making appropriations for the current and contingent expenses of the Indian service, &c., for the fiscal year 1883, directs that notice shall be given to such Indians as are now being subsisted, in whole or in part, by appropriations not required by treaty, that a recommendation will be made to Congress, at its next session for a diminution of such appropriations, and in pursuance thereof I have issued the following circular and forwarded it to the different Indian agents:

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, September 27, 1882.

SIR: In compliance with instructions received from the honorable Secretary of the Interior, your attention is called to section 8 of "An act making appropriations for the current and contingent expenses of the Indian Department, and for fulfilling treaty stipulation with various Indian tribes, for the fiscal year 1883, and for other purposes," approved May 17, 1882, which reads as follows: "That the Secretary of the Interior shall cause such Indians as are now being subsisted, in whole or in part, by appropriations not required in discharge of treaty obligations, to be notified that he will recommend to Congress, at its next session, a diminution of such appropriation, and that in consequence thereof their future support will depend more upon their own exertions."

In compliance with the above you will give your Indians the notice required by this act of Congress, and assure them that while the government is disposed to treat them kindly and even generously, and to extend to them every needed assistance to enable them to make a comfortable living for themselves and families, yet they must remember that there is now no treaty or other obligation on the part of the government to support them, and that what they are now receiving is purely a gift, and that there must come a time when they will be expected to labor for their own support the same as white men do. Say to them that labor is not degrading, but on the contrary is ennobling, and that if they ever expect to become rich and powerful as the white races, they must learn the lessons of industry and economy.

H. PRICE, *Commissioner.*

INDIAN AGENCIES AND POPULATION.

The following table shows the location of the several agencies and the population:

States and Territories.	Aggregate number of agencies.	Aggregate Indian population.
Arizona.....	4	14,241
California.....	4	11,013
Colorado.....	1	925
Dakota.....	9	30,117
Idaho.....	2	3,462
Indian Territory.....	6	14,531
Indian Territory (5 civilized tribes).....	1	59,777
Iowa.....	1	550
Kansas.....	1	632
Michigan.....	1	9,796
Minnesota.....	1	4,382
Montana.....	5	18,765
Nebraska (including 291 attached to Kansas agency, but still living in Nebraska).....	2	1,914
Nevada.....	2	7,831
New Mexico.....	3	26,527
New York.....	1	5,116
Oregon.....	5	4,399
Texas.....	(1)	108
Utah.....	2	2,371
Washington Territory.....	4	13,296
Wisconsin.....	2	7,756
Wyoming.....	1	1,782
Total number of agencies and number of Indians at agencies.....	50	216,332

* Indians in charge of a military officer and not on a reservation.

To this should be added those not under control of agents, living principally in the Territories of Arizona, Idaho, and Utah, and the States of California, Indiana, Kansas, North Carolina, Oregon, and Wisconsin, numbering 15,431, making total number of Indians in the United States, exclusive of those in Alaska, 262,366.

LIQUOR IN THE INDIAN COUNTRY.

The sale and use of liquor has been brought before the public so long as the chief cause of poverty and crime, that when it is stated that nearly all the serious crimes committed in the Indian country are traceable directly to the selling and drinking of whisky, the statement is accepted as truth, as a matter of course. It provokes no comment, and appears to have little effect on legislation. Yet, to day, whisky is the one great curse of the Indian country, the prolific source of disorder, tumult, crime, and disease, and if its sale could be utterly prohibited, peace and quiet would almost uniformly exist among the Indians from the Mississippi to the Pacific. Whisky is furnished the Indians by disreputable white men, who would sell themselves and their country for so many pieces of silver. Leniency to such men is a *crime*. Their homes should be behind iron bars, with never a human face to look upon, and never a sight of the green earth or the skies above, until, in solitary confinement for months and years, they had been taught the lesson that "the way of transgressors is hard." Most Indians will drink whisky whenever and wherever they can get it. Under its influence they are savages in deed as well as in name.

The agent at Quapaw says:

A quart of whisky will do more to demoralize Indians than a month of patient labor will accomplish to civilize them.

The agent at Sac and Fox, Indian Territory, says:

The whisky business has been the cause of more difficulty and more crime than all other causes combined.

At Great Nemaha the agent testifies that:

Strong drink is the greatest curse that besets the red man. Unprincipled whites in the settlements, knowing this weakness, and regardless of the consequences that may follow, will barter their own souls that they may fill their coffers with their unlawful and ill-gotten gains.

At Navajo Agency, one of the chiefs says:

We do not make whisky—it is the Americans that do it—and we earnestly plead that the Great Father will take it away from us and not let it be brought near us, for our young men drink it like water.

The agent at Tulalip reports that:

No crimes of a serious character were committed on the reservation, and if it were not for the nefarious trade carried on in selling liquor to Indians by degraded white men, the Indians would be a happy and prosperous race of people.

Page after page might be filled with similar testimonies.

The destruction of the liquor traffic among Indians is necessary, alike for their welfare and for the protection and safety of the lives and property of thousands of good citizens who have their homes near these Indian reservations. The result desired can be accomplished by the passage and enforcement of rigid laws, with severe penalties for the violation thereof. If the guilty ones are surely and sufficiently punished, it will soon be almost impossible for the Indians to get liquor. The present law is defective. It provides that the penalty for giving or selling liquor to an Indian shall be imprisonment for not *more* than two years and a fine of not *more* than \$300. This law should be so amended as to specify a *minimum* penalty.

A few selections from reports of agents will show the necessity for such an amendment.

The agent at Grande Ronde says:

The greatest obstacle . . . is the constant watchfulness required to prevent them from obtaining whisky from a disreputable class of whites who hover around the borders of the agency, or in the small towns, ever ready to furnish Indians liquor and to take advantage of them as soon as they have become intoxicated. I have succeeded in having from forty to fifty of this class of offenders arrested during the past year, nearly every one of whom has been convicted, but the fines imposed are not sufficient to give them a proper respect for law and order. Could our courts be induced to make the sentence imprisonment instead of a small fine, I am confident there would be fewer transgressors.

The agent at Green Bay says:

During the past year five young men have been killed while intoxicated. Drunkenness will continue among the Indians, in spite of the strongest efforts of agents and Indian police, until Congress amends the law by adding, not less than three months' imprisonment and not less than \$50 fine.

The agent of the Mission Indians says:

But for the leniency of the courts in dealing with offenders who have been detected and arrested for carrying on this traffic among them, better results might be reported.

In view of these statements, and others on file in this office, I recommend that section 2139 of the Revised Statutes be so amended that the punishment for the first offense shall be imprisonment for not *less* than one year, and a fine of not *less* than \$100; and that for the second and subsequent violations of law the penalty shall be imprisonment for three years. I deem this amendment absolutely essential, as under the present law fixing a maximum, but not a minimum penalty, the law is practically of little value, the punishment, in some cases, being a fine of ten dollars and imprisonment for one day, and this, too, after the

payment of many dollars in witness fees. The penalty should be commensurate with the crime.

Section 2139 provides that "Every person *[except an Indian in the Indian country]*" shall be liable to punishment for sale of liquor to Indians, &c. A bill (H. R. 3942) introduced by Representative Haskell at the last session of Congress proposes to amend the section by striking out the words "except an Indian in the Indian country." I hope this legislation also will be secured.

One other amendment is, in my judgment, necessary. The War Department is authorized to introduce liquor into the Indian country. This should not be. Fire should not be permitted near a powder-magazine, nor whisky near an Indian reservation. Army whisky is no better than other whisky; it does not appear that its effects are any more desirable. An Indian will as surely get drunk on army liquors as on those obtained from less highly favored citizens of the country. I recommend, therefore, that such portions of sections 2139 and 2140 as authorize the War Department, or Army officers, to introduce liquor into the Indian country be repealed.

Notwithstanding the disadvantages under which agents labor on account of inadequate and defective law, and the leniency and indifference with which it is administered, they have made strenuous efforts during the year to repress the sale of liquor to Indians by the prosecution of whisky sellers, and have been fairly successful. Through the efforts of 30 different agents, 136 cases have been prosecuted; 16 failed of conviction, 36 are still pending, one forfeited his bail bond, 19 were punished by fine, 30 by imprisonment, and 34 by imprisonment and fine. The fines varied from \$1 to \$125, and the terms of imprisonment in jails, houses of correction, and penitentiaries, from one day to 3 years and a half. Only 7 were imprisoned for a year or over, and the average term of the others was 58 days. The average fine was \$32.

The tendency of the law to bear the hardest on the weakest party was well exemplified among the Indians of the State of New York, where 3 white men were fined \$20, \$50, and \$75, respectively, for selling liquor to Indians; and for the same offense an Indian was sentenced to 30 days in prison and a fine of \$100. A table showing prosecutions and penalties in detail, will be found on page 375, herewith.

Much larger results could have been secured if the office had funds at its command to cover the expense of detecting liquor selling, making arrests, sending witnesses to court, &c. For this purpose I urged last year an appropriation of \$5,000, which was granted in the House but failed in the Senate. Whatever difference of opinion may exist as to the use of whisky by white men, there is but one opinion as to the mischief and danger of its use by Indians, and I can see no reason why the small amount asked should not have been granted. I trust that Congress at its next session will show some interest in the matter, and some readiness to assist the office in its single-handed fight against this evil.

LEGISLATION REQUIRED.

Intruders on Indian lands.—In my last annual report I drew attention to the insufficiency of existing laws on this subject. On the 29th of March last, the draught of a bill for the more adequate prevention of trespasses on Indian lands, previously prepared in this office, was transmitted by the President to Congress for consideration (House Ex. Doc. No. 145, 47th Cong., 1st sess.)

This bill reads as follows :

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section twenty-one hundred and forty-eight of the Revised Statutes of the United States be amended to read as follows, namely :

"Every person who without authority of law enters and shall be found upon any Indian lands, tribal reservation, or lands specially set apart for Indian purposes, shall, for the first offense, upon conviction thereof, pay a fine of not more than five hundred dollars, and be imprisoned at hard labor for not more than one year; and for every subsequent offense, shall, upon conviction thereof, pay a fine of not more than one thousand dollars, and not less than five hundred dollars, and be imprisoned at hard labor for not more than two years, nor less than one year; and the wagons, teams and outfit of such person or persons so offending shall be seized and delivered to the proper United States officer, and be proceeded against by libel in the proper court and forfeited, one-half to the informer and the other half to the United States, and in all cases arising under this act, Indians shall be competent witnesses : *Provided, however,* That the provisions of this section shall not apply to emigrants or travelers peaceably passing through such Indian lands, tribal reservations, or lands especially set apart for Indian purposes, without committing any willful trespass or injury to person or property."

I greatly regret that Congress took no action in this matter. The urgent necessity for an amendment of the law is again apparent in the attempted settlement in the Indian Territory by the so-called "Oklahoma Colony," under the leadership of D. L. Payne, which has twice been repeated during the past year; first in May last, when Payne with a party of followers was arrested in the Indian Territory by the military, and afterwards released on the Kansas border; and more recently, in the latter part of August, when, with a party consisting of seven men and two women, and an outfit of wagons, horses, &c., he was again captured by the troops whilst endeavoring to effect a settlement at Oklahoma. Upon this last occasion, refusing to go out of the Territory peacefully, the party were disarmed and taken to Fort Reno as prisoners. Upon the recommendation of this department, they were turned over by the military to the United States civil authorities at Fort Smith, Ark., by whom, it is reported, they have since been released to appear at the November term of the United States court for the western district of Arkansas, to answer to civil suits for the recovery of the prescribed penalty of \$1,000, which is the only redress the existing law provides. The result will probably be judgments against them by default, which will be and remain uncollectible.

It is surely time that this farce which has now been going on for three years or more, should cease. If Congress will give us a law (such as has been laid before it) providing for *imprisonment* in addition to fine, for each offense, these periodical invasions will be less frequent, if not altogether stopped, and probably much distress will be avoided to innocent parties who have been deluded by vague promises held out to them.

Timber depredations on Indian lands.—The necessity for legislation to protect the timber on Indian lands has been repeatedly and forcibly urged in prior annual reports of this office. In my last report I adverted to the wholesale destruction of timber in the Indian Territory, and the disastrous climatic effects which it is apprehended will ensue unless the evil is arrested.

At the last session of Congress a bill (S. 1646), prepared in this office, extending the provisions of section 5388 of the Revised Statutes of the United States for the protection and preservation of timber to Indian lands, passed in the Senate, but was never reached in the House. It is hoped that Congress will take up this bill at an early date.

Laws for Indians.—For years past urgent appeals have been made by this office for such legislation as will insure a proper government of the

Indians, by providing that the criminal laws of the United States shall be in force on Indian reservations, and shall apply to all offenses, including those of Indians against Indians; and by extending the jurisdiction of the United States courts to enforce the same; in short to make an Indian as amenable to law as any other subject of the United States. From time to time various measures looking to this end have been introduced in Congress; but from some cause or other—lack of time or of proper appreciation of the importance of the subject—they have invariably fallen through, so that to-day the only statutes under which Indians are managed and controlled are substantially those created in 1834, known as the trade and intercourse laws, whose main purpose was to regulate traffic in furs and prevent sale of ammunition and intoxicating drinks and intrusion upon an Indian reservation. As civilization advances and the Indian is thrown into contact with white settlers the authority of the chiefs proportionately decreases. It is manifest that some provision of law should be made to supply this deficiency and protect Indians in their individual rights of person and property. At the same time, the Indian should be given to understand that no ancient custom, or tribal regulation, will shield him from just punishment for crime.

The importance of this subject has been so frequently enlarged upon in the annual reports of this office for years past that it seems almost superfluous to add more; but at the risk of being considered prolix I herewith append an extract from a letter on file in this office from Agent Wilbur, of the Yakima Agency, Washington Territory, an officer of over sixteen years' experience with the Indians. Under date of March 10 last, he says:

Another, and at this agency, perhaps, equally important matter, is the extension of the United States law over the reservation. Possibly the situation here has brought this matter more forcibly to my attention than to most agents. Just off the reservation, on one side, is Yakima City, and on the other Goldendale, and our Indians are often there for purposes of trade. When there they find themselves subject to a law different from that on the reservation; a law prompt and swift to punish, but powerless to protect them. They witness its administration, and place a far higher value on it than on the decisions of their councils, and cases have occurred where Indians, thinking themselves aggrieved by the adverse decision of their councils, have watched their opportunity, and, when their adversary happened in town, have procured a retrial of the case before the justice of the peace. It does not affect the case that the original decision was affirmed. The fact illustrates the higher value placed on the United States law, and the desire of the Indians to be judged by it. Some of the more unworthy Indians claim to have taken out "citizen papers," pay taxes, work the county roads, and, boasting that they are no longer under the jurisdiction of the agent or council, give themselves up to all manner of license, and before the police can reach and arrest them are across the line, and defy all reservation authority. It is plain that these things must be utterly destructive of all authority of the agent or council, and equally plain that such a state of affairs cannot much longer continue.

Either all Indians should be placed under the sole jurisdiction of the agent and the council, or all should be brought equally under the operation of United States law. On this point, officers of the law, citizens, agent, and Indians are agreed, and it is strange that so obviously proper and necessary a measure has not long since been adopted.

Criminals and paupers have always existed, and I know no reason why the Indian should not be expected to furnish his proportion of these classes; but I do claim that when satisfied that equally with the white man he is secure in the possession of his home, and that the same law that judges and protects the white man throws its broad shield over him also, he will furnish no more than his proportion.

At the last session of Congress, Hon. E. Willits introduced a bill (H. R. 755) "to extend the jurisdiction of the district and circuit courts of the United States, for the punishment of crimes on Indian reservations within the limits of any State or organized Territory, and for other purposes," which was referred to the Committee on the Judiciary; but no further action appears to have been taken.

I again respectfully recommend that the attention of Congress be called to the subject, with a view to such legislation as it may deem expedient.

In regard to the Indian Territory proper, a bill (S. 181) to transfer the jurisdiction from the western district of Arkansas and to establish a United States court in the Territory at Muscogee, Creek Nation, is now pending before Congress.

BOUNDARY BETWEEN TEXAS AND THE INDIAN TERRITORY.

A bill (H. R. 1715) is now before Congress seeking to establish the North Fork of the Red River as the true boundary line between the Indian Territory and the State of Texas, instead of the South Fork or main branch, otherwise called the Prairie Dog Town Fork of the Red River. The tract of country in dispute is about 60 miles long and 40 miles wide, probably over 2,000 square miles, and contains a large quantity of valuable land. The history of the question in dispute between the United States and the State of Texas, which has been agitated for several years, will be found in a recent report of the Committee on the Judiciary, to whom said bill was referred. (See House Report No. 1282, Forty-seventh Congress, first session.) This report concludes as follows:

After a careful review of the *facts* in the case, for the question as to which prong of the river is the true river is really a question of fact, your committee is decidedly of the opinion that the South Fork is the true boundary, and that therefore the claim of the State of Texas is unwarranted. * * * * *

If the data given in these reports are correct, there would seem to be no doubt of the claim of the United States to the tract in dispute, and therefore your committee report adversely to the bill referred to it.

But inasmuch as the claim is disputed, and that with the earnestness of belief on the part of Texas, and inasmuch as none of the surveys referred to have been made with the privy of the State of Texas, the joint commission appointed having failed to act in concert, your committee is of the opinion that that State should have a hearing in the matter, and should have an opportunity to co operate with the United States in settling the facts upon which the question in dispute rests. A substitute is reported for the appointment of a joint commission, the passage of which is recommended.

In view of the complications which are already threatened through persons claiming to exercise rights on the disputed tract under the jurisdiction of the State of Texas, as also the great influx of cattle herds thereon, it is important that this question should be definitely settled by Congress at an early date.

"INDIAN COUNTRY."

During the last session of Congress the meaning of the words "Indian Country," as used in the Revised Statutes and other laws of the United States, was made a subject of inquiry by the Senate Committee on the Revision of the Laws. The attention of the Senate was called to the matter by a letter from Judge McCrary, addressed to Hon. G. F. Hoar, United States Senator, in which he stated that he had recently had occasion to decide that section 1 of the act of June 30, 1834, known as the "trade and intercourse act" (4 Stat., 729), was repealed by the Revised Statutes, and that if he was correct in this ruling there was no act of Congress in force defining the meaning of the words "Indian Country," or the locality or boundaries of the "Indian Country." The committee concurred with Judge McCrary, and requested the views of the department and the preparation of a bill drawn to meet the requirements of the public service.

A report was prepared by this office reciting the various acts of Congress relating to the "Indian Country," and the decisions of the courts thereon. The conclusion reached in the report was in accord with the decision rendered by Judge Hillyer, of the United States district court of Nevada, in the case of the United States *vs.* Leathers (6 Sawyer, 17), in which he held that section 1 of the intercourse law of 1834 was repealed by the Revised Statutes, and that the words "Indian Country" referred to the portions of the public land allotted to the use and occupation of the Indians. There seemed, therefore, to be no occasion to anticipate the difficulties feared by Judge McCrary.

A bill was prepared, however, for the use of the committee, if they regarded any legislation as necessary, which provided that—

The words "Indian Country," as used in chapter four of title twenty-eight of the Revised Statutes and other laws of the United States, shall be construed to apply to and include the following classes of Indian reservations, viz: Lands to which the original Indian title has never been extinguished, but which have not been specifically reserved by treaty, act of Congress, or otherwise, for the use of the Indians; lands expressly reserved by treaty or act of Congress, or set apart for the use of the Indians by executive order of the President of the United States; lands patented to Indian tribes; and lands which have been purchased by or ceded to the United States for the purpose of settling friendly Indians thereon.

This bill was favorably reported by the committee as Senate bill 2100, with the following words stricken out: "lands to which the original Indian title has never been extinguished, but which have not been specifically reserved by treaty, act of Congress, or otherwise, for the use of the Indians, or for other purposes," for the reason, as stated in the report, that they believe that there are no such lands in the United States. (See Senate Report No. 773, Forty-seventh Congress, first session.) This clause was intended to cover the lands in Dakota occupied and claimed by the Turtle Mountain band of Chippewas. No further action appears to have been taken upon the subject.

RIGHT OF WAY FOR RAILROADS THROUGH INDIAN RESERVATIONS.

Arizona Southern Railroad—Papago Reserve, Arizona.—On the 21st April last, the Arizona Southern Railroad Company, engaged in building a line of railroad from Tucson, Arizona, to the Mexican border line, some ten miles south of Calabaz, made an informal agreement with Chief Ascension Rio, on behalf of the Papago Indians, for a right of way 200 feet wide from north to south through the Papago Reserve, covering a distance of about eight miles. For this concession the company agreed to erect, within the reservation for the use of the Indians, a school house of adobe, to cost \$3,000. Upon submission of this agreement to the department, you directed that, since the reservation was created by Executive order, and hence was excepted from the provisions of the right-of-way act of March 3, 1875, the company should first obtain the authority of Congress for a right of way before taking any further action in the matter.

By act of Congress approved August 5, 1882, a right of way not exceeding 200 feet in width through the Papago Indian Reservation was granted to the Arizona Southern Railroad Company, according to the plans of route and survey of the said company, now on file in this department and approved by the Secretary of the Interior, subject to the consent of the Indians occupying said reservation and to the payment by said railroad company to the Secretary of the Interior of such compensation as may be fixed by him, to be expended by him for the benefit of the said Indians. Measures are now being taken to carry out the provisions of the act.

Denver and Rio Grande Railroad—Ute Reserve in Colorado.—On May 12, 1880, in accordance with the provisions of the treaty of March 2, 1868, with the Ute Indians in Colorado, the President issued his proclamation authorizing the Denver and Rio Grande Railroad Company to construct its line of railroad, with extensions and branches thereof, through the Ute Reservation. On April 22, 1881, information having reached this office that the Indians were becoming restive at the presence of the working force of the railroad, and had threatened to stop the work until compensation was made to them for the lands taken, I reported the facts to the department, and on May 3, following, the president of the company was notified by your predecessor to stop the construction of the road until the consent of the Indians had been obtained and proper compensation made to them. No attention was paid by the company to this notice. The road has been constructed and is now in operation, and the question of compensation still remains open.

In his annual report to the President your predecessor held that the Indians were entitled to compensation for the occupancy of their lands by the company, and recommended that suitable action be taken by Congress looking to an adjustment of the rights of the respective parties. (See annual report of Secretary of Interior for 1881, p. X.) No action, however, appears to have been taken by Congress in the matter.

In view of the provisions of the act of Congress of June 15, 1880 (21 Stat., 199), ratifying the agreement made with the Utes for the sale of their reservation; their subsequent removal, and the provisions of the act passed at the last session, approved July 28, 1882, declaring all that portion of the Ute Reservation lately occupied by the Uncompahgre and White River Utes to be public lands of the United States, and subject to disposal in accordance with the provisions of section 3 of the said act of June 15, 1880, I have the honor to submit for your consideration what action, if any, shall now be taken in the premises.

Chicago, Milwaukee and Saint Paul Railway—Sioux Reserve in Dakota.—Since the preparation of my last Annual Report, the Chicago, Milwaukee and Saint Paul Railway Company has paid into this department, for the use of the Sioux Indians, the sum of \$13,911, partial payment for right of way, depot and station grounds, required for the purposes of the road upon the Great Sioux Reserve, west of the Missouri River, in accordance with the terms of the agreement of November 2, 1880, and has been authorized to proceed with the construction of the road. The balance of the consideration money agreed to be paid for the right of way is payable after the company shall have constructed 100 miles of road upon the reserve.

The company has also definitely located the section of 640 acres required for depot purposes, on the west bank of the Missouri River, included in the above-mentioned purchase. By supplemental agreement of November 10, 1880, the company agreed to pay for all improvements of individual Lower Brulé Indians falling within the limits of said section such amount of compensation as may be awarded by a commission to be appointed by the Secretary of the Interior. Steps are now being taken to perfect the list of Indians who are entitled under this agreement, with a view to an adjustment of damages in manner provided.

This company has also definitely located a tract of 188 acres for depot purposes, &c., on the Crow Creek Reserve, east of the Missouri River, as provided for by the agreement of November 13, 1880. It has also filed a map of its road as constructed through the Crow Creek Reserve, under the terms of said agreement. The total consideration money payable in respect of land so taken on the Crow Creek Reserve is \$1,424.76,

which the company is ready to pay. The maps are now before the department for approval.

Dakota Central Railway—Sioux Reserve in Dakota.—The Dakota Central Railway Company has definitely located the section of land at Fort Pierre, on the west side of the Missouri River, granted under the agreement with the Sioux Indians June 12, 1880, and has paid into the department, for the use of said Indians, the sum of \$3,200, as consideration money therefor. It has also paid to the department the sum of \$375 for the right of way through the Old Winnebago Reserve, east of the river, granted by the agreement of December 31, 1880. I am not advised what progress has been made in the construction of this road.

Idaho, Clear Water and Montana Transportation Company—Nez Percé Reserve, Idaho.—On the 27th January last, Agent Warner, in charge of the Nez Percé Indians, transmitted to this office a petition of the Idaho, Clear Water and Montana Transportation Company (a corporation of the Territory of Idaho, engaged in the construction of railroads from Lewiston east into Montana), for a right of way along the Clear Water River and through the Nez Percé Reservation, established by treaty of June 9, 1863 (14 Stat. 651), which treaty provides for the establishment of roads upon that reservation under authority of the United States. In transmitting the application the agent stated that the Indians appeared to favor the building of the road, as it would open up a good market for their farm produce, and that it would also greatly facilitate the delivery of supplies to the agency. He therefore earnestly recommended the granting of the petition, subject to the consent of the Indians.

In pursuance of department instructions of the 8th May last, Agent Warner was directed to convene a council of the Indians for the purpose of laying the matter before them and obtaining their consent to a peaceful preliminary survey in order to determine the definite location of the road upon the reservation, with the understanding that before any construction of the road could be commenced the consent of three-fourths of the adult male Indians upon the reservation would be necessary, and that reasonable compensation, subject to the approval of the department, would be required from the company for the right of way and lands taken. On the 10th June last, Agent Warner reported to this office that he had submitted the proposition to the Indians in council assembled, and that greatly to his surprise they had almost unanimously voted against it. Subsequent advices from the agent seem, however, to indicate that the Indians acted under a misapprehension, and that they will reconsider their determination this fall.

Utah and Northern Railroad—Shoshone and Bannack (Fort Hall) Reserve, Idaho.—Reference was made in my last annual report to an agreement which had been entered into with the Shoshone and Bannack Indians of Idaho for the extinguishment by the government of their title to so much of the lands of their reservation as are required for the purposes of the Utah and Northern Railroad Company in the construction of a road from east to west through the Fort Hall Reserve. By this agreement, which is dated July 18, 1881, the Shoshone and Bannack Indians ceded to the United States a strip of land extending from east to west through their reservation, to be used by said railroad company as a right of way and road bed, containing 670 acres, or thereabouts; also certain plots of land for depots, stations, &c., containing about 102 acres. For this cession the United States agreed to pay to the Shoshone and Bannack Indians \$6,000, or about \$7.77 per acre, to be deposited in the United States Treasury to the credit of said Indians, upon ratification

of the agreement by Congress and necessary appropriations therefor, and to bear interest at 5 per cent.

This agreement was ratified by act of Congress approved July 3, 1882, section 3 of which provides for the grant of right of way and the use of the plots of land so relinquished to the Utah and Northern Railroad Company, its successors and assigns, for the purposes set forth in the agreement, but requires the company, as a condition precedent to the use of the lands, to pay to the Treasurer of the United States, within ninety days from the passage of the act, the said sum of \$6,000 thereby appropriated, and to file with the Secretary of the Interior its written acceptance of the conditions of said section. These requirements have been complied with by the company, and I am informed by the Secretary of the Treasury that the \$6,000 have been deposited with him. The Utah and Northern Railroad Company has since assigned its rights acquired under said act of Congress to the Oregon Short Line Railway Company.

Atlantic and Pacific Railroad—Indian Territory.—Under authority of an act of Congress approved July 27, 1866 (14 Stat., 292); the several treaties negotiated during the same year with the Cherokees, Creeks, Choctaws and Chickasaws, and Seminoles, providing for an east and west and a north and south railroad through their respective countries; and the decision of Hon. Secretary Cox, dated May 21, 1870, approved by the President May 23, 1870, and the decision of your immediate predecessor in office, dated March 31, 1882; the construction of the Atlantic and Pacific Railroad westward from Vinita, Cherokee Nation, through the Indian Territory, which had been suspended for some years past, has been resumed.

Under date of March 27, 1882, the company entered into an agreement with the Cherokee Nation for the purchase of materials required in the construction and repairs of the road in the Cherokee country, under the provisions of the Cherokee laws in relation to such purchases; also for the settlement and adjustment by the courts and laws of said nation of all questions for damages to property. The company has also filed a new bond of same date in the sum of \$500,000, payable to the order of the Secretary of the Interior, in trust for the several nations and tribes of Indians owning or occupying the lands of the Indian Territory, conditioned for the faithful performance of the obligations imposed on said company by the act of Congress of July 27, 1866, and in other particulars for the protection of the Indians. Bond and agreement were approved in the department April 3, 1882.

The act of Congress, July 27, 1866, authorizes the Atlantic and Pacific Railroad Company to construct "a branch from the point at which the road strikes the Canadian River eastwardly along the most suitable route as selected, to a point on the western boundary line of Arkansas at or near the town of Van Buren." The map of location of the branch road from the point on the main line at which it strikes the Canadian River, eastwardly to Van Buren in Arkansas, shows the line of route to be as follows: From its junction with the main line as above, down the Canadian on its north side to where it empties into the Arkansas River; crossing the Arkansas and running down said river on its north side to Van Buren; in its route passing through country occupied under Executive order by the Cheyennes and Arapahoes, through the reservation of the Pottawatomies, and through the Seminole, Creek, and Cherokee countries. Your predecessor held that should the branch road be built on the line of location as laid down on the maps, there would then be two east and west roads through the Creek and Cherokee country, which

would be in violation of the treaties with those Indians which provide for but one east and west and one north and south road through their respective countries. He was therefore of opinion that should the branch road be built, it should not be allowed to cross the country of the Creeks or of the Cherokees, but should have its line, so far as those countries are concerned, south of the Canadian and Arkansas Rivers.

On the 10th August last the Atlantic and Pacific Railroad Company, through its general solicitor, General Williamson, applied to this office, stating that the road had been completed from Vinita, through the Cherokee and Creek country, to a point near the Arkansas River, which would be township 19 north, range 12 east, if the surveys were extended: that the company had carefully surveyed the line of main road so laid down on the map of definite location, and finding many engineering difficulties to contend with, asked permission to explore the country south of the line located for the purpose of gaining such information as would enable it to contrast the cost of constructing and maintaining a road on a more southern route with the cost of constructing a road along the Cimarron River, and with the ultimate intention of laying the facts and figures before the department, with a view to procuring a ruling upon the question as to the exact line upon which the company should build its road, if any doubt should exist as to where it might build.

The request appearing reasonable, permission to make the necessary explorations through the country designated was granted, subject to the consent of the Indians, viz, the Creeks, Sacs and Foxes, and Cheyennes and Arapahoes, through whose lands the exploring party would necessarily pass, and General Williamson was so notified by office letter of August 31, 1882. The several agents for these Indians were at the same time directed to consult with them and endeavor to procure their consent to the passage of the company's employes through their lands for the purposes indicated. The Cheyennes and Arapahoes who, in November, 1881, seriously objected to the construction of the road have readily assented. The Creeks and Sac and Fox Indians have, as yet, taken no definite action in the matter, but it is not apprehended that any serious objection will be interposed.

Saint Louis and San Francisco Railroad—Choctaw and Chickasaw country, Indian Territory.—On the 2d of August, 1882, Congress passed an act granting a right of way to the Saint Louis and San Francisco Railway Company for a railroad and telegraph line through the lands of the Choctaw and Chickasaw Nations of Indians in the Indian Territory, commencing at a point to be selected by the company on the line of the Choctaw Nation, immediately contiguous to Sebastian or Scott Counties, in the State of Arkansas, and running thence in a southwesterly direction on the most direct and practicable route through the lands of the Choctaw and Chickasaw Nations in the direction of Paris, in the State of Texas, and to continue to or connect with a proposed road from the city of Paris aforesaid. This grant is made subject to the condition that the said railway company shall pay quarter-annually to the national treasurers of said nations, every year during the existence of the rights and privileges granted, to be used for the benefit of schools therein, the sum of \$750, in the proportion of one fourth to the Chickasaws and three-fourths to the Choctaws, with a proviso that if the general councils of said nations, or either of them, shall, within sixty days after the passage of the act, by resolution duly adopted, dissent from the allowance provided for, and shall report the same to the Secretary of the Interior, then the compensation to be paid for the uses and grants in the

act made for such dissenting tribes shall be determined by appraisers to be appointed as in said act mentioned.

The act, which is quite lengthy, provides for the completion of the road and telegraph within two years from the date of acceptance by the company. It also contains various clauses and stipulations for the protection of the Indians, and declares that failing certain conditions therein prescribed, the said company shall forfeit all rights thereunder, which, upon declaration and consent of the Secretary of the Interior, shall inure to the Chicago, Texas and Mexican Central Railway Company upon like conditions as in said act mentioned; and upon its failure to comply therewith, then the privileges granted to the Saint Louis and San Francisco Railway Company shall apply to any other incorporated company that shall have first obtained the approval of the President of the United States.

Northern Pacific Railroad—Crow Reserve, Montana.—By an agreement dated August 22, 1881 (also referred to in my last annual report), the Crow Indians surrendered to the United States all their right, title, and interest in and to a strip of land 400 feet wide, extending from east to west across their reservation, containing about 5,384 acres, to be used by the Northern Pacific Railroad Company as a right of way and road bed; also certain plots of land, aggregating 266 acres or thereabouts, for depot and station purposes. For the lands so relinquished the United States agreed to pay to the Crow Indians \$25,000, to be deposited in the United States Treasury to the credit of said Indians upon ratification of the agreement by Congress and necessary appropriation therefor, to be expended for the benefit of the Indians in such manner as the Secretary of the Interior may direct.

This agreement was ratified by act of Congress approved July 10, 1882, section 3 of which provides for the grant of the right of way, and the use of the plots of land so relinquished, to the Northern Pacific Railroad Company, its successors and assigns, for the uses and purposes mentioned in said agreement, but requires the company, as a condition precedent to the user of the lands, to pay to the Treasurer of the United States, within 60 days from the passage of the said act, the sum of \$25,000, thereby appropriated, and to file with the Secretary of the Interior its written acceptance of the conditions of said section. The acceptance above required has been filed in this office, but I have no information as to the payment of the \$25,000.

Northern Pacific Railroad, Jocko (Flathead) Reserve, Montana.—The Northern Pacific Railroad Company having applied for a right of way through the Jocko Reserve, in Montana, occupied by the confederated tribes of the Flathead, Upper Pend d'Oreilles, and Kootenay Indians, under the treaty of July 16, 1855 (12 Stat., 975), Assistant Attorney-General McCammon was detailed by you on the 22d July last, to proceed to the Flathead Agency and negotiate with the Indians, under the treaty and acts of Congress in that behalf, for the extinguishment of their title to so much of the lands of their reservation as are required for the purposes of the Northern Pacific Railroad Company for the construction of its road westwardly, through that reserve, according to certain plans filed by the company in this department. Mr. McCammon has not yet filed his official report, but I am informally advised by him that he succeeded in negotiating an agreement with the Indians, by which the lands necessary for a right of way 200 feet wide, and extending a distance of about 53 miles across the reservation, with suitable grounds for station purposes, are relinquished to the United States upon payment of \$16,000, this sum to be deposited in the Treasury of the United

States to the credit of said confederated tribes upon ratification of the agreement by Congress, and to be expended for the benefit of the Indians in such manner as the Secretary of the Interior may direct. Provision is also made for the payment of \$7,500 for improvements of individual Indians of said tribes falling within the boundaries of the lands so relinquished. The necessary papers will be hereafter submitted to you for transmission to Congress.

Atchison and Nebraska Railroad—Iowa Reserve, Nebraska.—The agreement of June 18, 1881, with the Iowa Indians of Nebraska for a new right of way across their reserve to the Atchison and Nebraska Railroad Company has been finally completed, and was approved by you on the 4th of August last. The quantity of land taken by the company amounts to six and one-half acres, for which they have paid at the rate of \$25 per acre.

Carson and Colorado Railroad—Walker River Reserve, Nevada.—On April 13, 1880, the Carson and Colorado Railroad Company entered into an informal agreement with the Pah-ute Indians for a right of way across the Walker River Reserve, which was set apart by Executive order, March 19, 1874. Under a misconception of the requirements of the law in such cases, but apparently in good faith, the company constructed its road upon the reserve without procuring the necessary legal authority. As soon as the facts were definitely ascertained in this office they were reported to the department for instructions, and on the 15th March last your predecessor directed that a formal agreement embodying the terms theretofore agreed upon between the railroad company and the Indians should be obtained and submitted to the department for approval and transmission to Congress for ratification. Such agreement was accordingly prepared and executed by a majority of the Indians interested and the railroad company, under date of 9th August last, and will in due course be submitted for your approval, and ratification at the next session of Congress.

New Mexico and Southern Pacific Railway Company—Pueblos of New Mexico.—The New Mexico and Southern Pacific Railway Company, failing to come to terms with the Indians of the pueblo Santo Domingo, for a right of way across their land grant, and for lands sufficient for a division station thereon, has commenced proceedings in the Territorial courts to obtain title under the provisions of the general incorporation act relating to railroads in the Territory of New Mexico, February 2, 1878. The Pueblo Indians of New Mexico stand on a plane different from that of ordinary Indians. They are not Indian tribes within the meaning of the acts of Congress prohibiting settlement by any person on land belonging, secured, or granted by treaty with the United States to any Indian tribe; but they are held to have a complete title to their lands and their rights may be maintained under the Territorial laws of New Mexico (*U. S. vs. Joseph*, 4 Otto, 614). By these laws the several tribes of Pueblo Indians are incorporated bodies politic and corporate, with power to sue and be sued in any court of law or equity in respect of any claim to lands occupied or claimed contrary to law by any person whatsoever, and to resist any encroachment or trespass thereon.

In April, 1881, complaint having been made by the local agent that the railway company had established a division station named "Wallace" upon the lands of the pueblo Santo Domingo for the accommodation of its employes, to which numerous settlers were flocking, opening up trading establishments, whisky saloons, &c., against the wishes of the Indians, the United States attorney for the district of New Mexico was, at the request of this department, directed by the Hon. Attorney-

General to co operate with the agent for the protection of the Indians, and to act as their attorney in cases where it might become necessary to apply to the courts for their relief, or where their interests were in jeopardy. The Indians having positively refused to sell any portion of their lands for a town site at Wallace, and the settlers being equally determined to remain, proceedings for their removal have been instituted under the direction of the United States attorney as the attorney for the Indians. In like manner he has been requested by the agent to protect the interests of the Indians in the proceedings by the company to appraise the value of the lands taken for right of way.

PAYMENTS OF CASH ANNUITIES.

Miamies of Indiana.—The payment of the principal sum, \$221,257.86, which became due to these Indians, under the treaty of 1854, on the 1st day of July, 1880, and which was provided for by act of March 3, 1881, as noted in my report for last year, where I expressed the hope that but a short time longer would be necessary to complete it, has been somewhat delayed. As the work progressed various questions presented themselves, some of which could not have been foreseen, such as doubtful claims, the right of members of this branch of the tribe who had been drawing moneys with the Western Miamies to share with both tribes, and as to who were the proper parties to receive the shares of deceased beneficiaries. The procuring of properly-qualified guardians for minors, the security required by the act being so large, was attended with much difficulty and delay; and the claim of Vandeventer & McDowell, which this act also provided should be adjusted and paid, demanded time and attention beyond what was at first anticipated. Thus, much unavoidable delay had to be submitted to, as no step could be taken until this office was assured beyond reasonable doubt that the law was being strictly complied with. Therefore it was not until the 31st of January, 1882, that the first payment was effected, and on the 5th of the following July, the date of last report from Hon. Calvin Cowgill, who has charge of this payment, some twenty claims still remained to be paid to the heirs or legal representatives of persons deceased. These, requiring the action of the courts, took more time, but I am now persuaded that all will be completed in a few days. I may here call attention to the faithful manner in which Agent Cowgill has discharged this arduous and responsible duty. Notwithstanding the numerous perplexing questions involved, and the well-known readiness of designing whites to take advantage of any oversight or flaw in the dealings of the agents of the government with the Indians, whereby they might hope to reap some advantage to themselves, no expression of dissatisfaction has reached this office from any of the Miamies, and I believe strict justice has been done.

Although this money was due to the Miamies by treaty on the 1st day of July, 1880, no action was taken toward providing for its payment until March 3, 1881. The interest, however, for the year 1881, although not provided for in the treaty, was paid to them, and this was satisfactory; but as the payment of the principal was still deferred for at least six months, during the fiscal year 1882, without fault of theirs, they consider themselves, through the precedent of having been paid for 1881, and in equity, entitled to additional interest. This they are the rather disposed to expect as they appear to have heard of the appropriation made for paying them for the full fiscal year 1882, which still remains on the books in this office. It therefore seems necessary that

some further action be taken in the case to finally settle it, either by allowing them a part of the money, say interest for six months of the year 1882, or by covering the whole amount back into the Treasury.

Winnebagoes.—Circumstances have prevented my fully carrying out the provisions of the act approved January 18, 1881, for the benefit of these Indians. The clerk who was detailed from this office to take a census of those in Wisconsin was prevented through the interference of some meddlesome whites from completing it as quickly as had been anticipated. No appropriation had been made to meet his expenses, and but a very limited amount could be spared from the contingent fund of this department for that purpose, and when this was exhausted, in December last, he was compelled to abandon the effort to complete the census, leaving about one-third of these Indians yet to be enrolled.

Early in the following spring I called the attention of the department to the difficulties in the case, and suggested that an appeal be made to Congress for funds to complete the work, but no appropriation was made for the purpose. This is to be regretted, as the Indians need the money and are in most instances prepared to make a good use of it, and any considerable delay may necessitate going over much of the ground again. Several parties in Wisconsin have expressed a desire to finish this work, but I am of the opinion that sending a competent and perfectly disinterested person to do it would be most beneficial to the Indians, by preventing the possibility of their being controlled by self-constituted, unscrupulous attorneys, such as have already greatly retarded my efforts to properly carry out the act. I therefore repeat my former suggestion, that funds should be provided for this purpose.

The number of Indians who on account of the interference of white men refused to be enrolled is about 250. As a result of this partial failure, no money has been paid to those Indians who complied with the request of the government, and they are made to suffer because of the obstinate and rebellious attitude of a part of the tribe. This is making the innocent suffer for the acts of the guilty, and ought, in some manner, to be remedied, so that the law-abiding ones should be paid what is justly due them. I can see neither reason nor justice in refusing or neglecting longer to pay these Indians who have willingly done all that was required of them by the government.

As several of these Indians, in anticipation of this money, selected lands, which the want of it rendered them unable to secure, a temporary expedient was resorted to, and an arrangement made with the honorable Commissioner of the General Land Office, whereby the claimants can go before the agent for the office nearest to them, and, by proving their Winnebago blood, &c., and their willingness to comply with the provisions of the act of July 18, 1881, the land they have selected can be reserved for them until this money is paid.

Wyandottes.—The payment to this tribe of Indians of \$28,109.51, the sum appropriated by the act of March 3, 1881, which was to be in full payment of their claim under treaty of February 23, 1867, was completed on the 13th of April last. A very careful census having been taken, and the claims of those who applied to be enrolled carefully examined, all who could not be proved to be members of the Wyandotte tribe, as defined in the treaties made with those Indians, were rejected.

The payment seems to have been very satisfactory to the Indians, especially as the claim of Louis Walker for \$17,900 for a ferry franchise, on being examined, was not considered good against this fund, and was therefore disallowed.

Sac and Fox, Iowa.—Since my report for 1881, this branch of the Sac

and Fox tribe has become more tractable and willing to comply with the rules governing annuity payments, so that \$40,000 of their back and current annuities has been paid to them, viz, \$20,000 in January last, and the same amount in the following August. This was a per capita of about \$128, or over \$500 to each family of four persons, which number their domestic relations will average. Of this large sum, after paying some back taxes on their lands, they had expended, by September 1, almost every cent, except about \$3,000, with which they propose to purchase more land, which they greatly need. It is to be regretted that at least half of the entire payment could not have been used for this purpose, rather than squandered in ways, if not injurious, yet of but doubtful benefit to them. But as the money was their own, no action could be taken by this office further than giving them good advice.

The agent complains of drunkenness amongst these Indians, which he, for want of means, is unable to prevent, but it is hoped the stringent liquor law now in force in that State will result in their being benefited to a greater degree by future annuities.

All the other regular annuities, &c., have been paid during the year without incident worthy of special remark, and it is a gratifying fact that although a total sum of about \$650,000 has been so disbursed to the Indians, during this time, having to pass through many hands, and find its way to the owners often in the least civilized part of the country, no case of loss to the government or to the Indian has occurred, either through accident, carelessness, or design. The present system of enrolling the Indians is so perfect, each birth, death, change in relationship of members of families, English and Indian name, age, and sex being duly recorded, that oversight or imposition is almost impossible, and general satisfaction among the Indians is the result.

EDUCATION.

Exclusive of the five civilized tribes, the whole number of Indian pupils attending school the past year has been 8,412. Of these 476 were in attendance at the Carlisle, Hampton, and Forest Grove training schools. Of the remainder 3,937 attended reservation boarding schools and 3,999 reservation day schools. The average attendance for the year has been 5,126. A table giving the schools in detail, with the attendance and condition of each, will be found on page 376. The following table shows the gradual progress which has taken place in Indian education during the last six years:

	Number of pupils.	Average attendance.
1877.....	6,019	3,598
1878.....	6,229	4,142
1879.....	7,193	4,488
1880.....	7,240	4,651
1881.....	8,109	4,976
1882.....	8,412	5,126

Boarding-schools.—Six new boarding-schools have been opened during the past year at the Round Valley, Lower Brulé, Fort Peck, Western Shoshone, Navajo, and Yankton Agencies, making the whole number now in operation 74, including the training-schools at Carlisle, Hampton, and Forest Grove. In each of the reservation boarding-schools instruction is given the girls in all branches of household industry as well as the making and repair of garments. The work of the kitchen, laundry, dining-room, dormitory, and sewing-room is performed by them under

the supervision of the employes of the school, and it is expected that they will receive as thorough and constant instruction in the art of home-making as in reading and writing the English language. It is in this department that the want of suitable buildings and appliances has been most severely felt, and thereby progress has been most seriously retarded. Want of funds has compelled the refusal to many schools of wells, cisterns, suitable furniture, and clothing materials, and the many articles of convenience which are considered essential to the proper management of a private family, and which are even more sorely needed for the smooth working of a large household. The Indian is an apprentice to civilization, and he cannot be expected to make rapid advancement in his trade if the tools furnished him are poor in quality and insufficient in number and variety. Too often the ingenuity of teachers has been taxed to see how they could manage to do without, instead of how they could teach pupils to use the appliances of civilized life.

Industrial training for boys is also carried on at reservation boarding schools, and is receiving more and more attention with each year. In connection with 57 schools, 1,245 acres are under cultivation, and the crops the past year have amounted to 8,370 bushels corn, 3,698 bushels oats, 11,683 bushels vegetables, 1,248 bushels wheat, 154 tons hay, 1,250 melons, 1,575 pumpkins, and 2,890 heads of cabbage. In addition to farming and gardening, the preparing of fuel and carrying of water gives many hours of labor to the boys, and the teaching of trades is rapidly being introduced. Blacksmithing, tailoring, and harness-making are taught at four schools; seven teach shoemaking, ten carpentering, and fifteen the raising and care of stock. Training in these branches has been greatly stimulated by the success of the experiments at Carlisle, Hampton, and Forest Grove. Agents are taking these schools as models of what an Indian school should be, and pupils at home are interested to learn the branches which are being taught their more favored relatives.

In industrial education Indian boarding-schools are doing pioneer work. There are neither precedents nor text-books to follow. In very few schools in the United States can the white child, unless he is a criminal, learn how to work as well as how to read; how to use his hands as well as his head. This need is receiving the attention of educators and philanthropists, and the success of the experiment among Indians is being watched with interest by the friends of the lower classes both white and black. One of the first obstacles encountered is the outlay of funds required. To fairly equip each reservation school with stock, wagons, farming implements and mechanical tools, and have these articles used not only by children, but by children who have no inherited inclination or aptitude for civilized pursuits, must very largely increase the annual expense of the schools; and though for such expenditure the return in the next generation will be large, the immediate returns will be meager. Nevertheless it ought to be done, and appropriations increased accordingly. Even if Carlisle, Hampton, and Forest Grove could turn out, as they cannot, all the skilled mechanics and agriculturists needed among Indians, yet the value to the Indian boy of mere rudimentary training in some one of the various handicrafts will be worth to his own manhood and the civilization of his race immeasurably more than it will cost, and the *morale* of the school which furnishes such employment and diversion to its restless pupils will be vastly improved.

Too much importance cannot be attached to the agency industrial boarding-school. It is the center of Indian civilization, and will be until parents are willing to send their children away from home to be educated,

and the government is willing to assume the enormous expense of that sort of schooling. Until then the reservation schools will be worth as much to the distant training-schools as the training-schools are to the reservation. They awaken the interest in education which first leads the parent to surrender his child, and they so mold public opinion as to make it possible for the returned student to persevere in the habits learned at the East. Unless a strong purifying influence is exerted on the reservation atmosphere while the students are absent, they will return to a fire-damp of heathenism, ignorance, and superstition that will extinguish all the flames of intelligence and virtue that have been kindled by contact with civilization. In this way only can the government hope to escape the humiliating relapses which many years ago discouraged missionary societies from any further attempts at educating Indian pupils away from their tribes. An appropriation of not less than \$50,000 should be made by Congress at its next session to properly equip existing reservation schools for industrial work.

Day schools.—Eleven new day schools have been opened this year, but four day schools have become boarding-schools, and twelve have been discontinued, so that the whole number now in operation is 101, five less than last year. Most of those discontinued were small schools, maintained in the Indian camps by religious societies. It is as common a belief that the boarding should supersede the day school as it is that training-schools remote from the Indian country ought to be substituted for those located in the midst of the Indians. But I trust that the time is not far distant when a system of district schools will be established in Indian settlements, which will serve not only as centers of enlightenment for those neighborhoods, but will give suitable employment to returned students, especially the young women, for whom it is specially difficult to provide. As General Armstrong has well said in his annual report :

There is absolutely no position of dignity to which an Indian girl after three years' training can look forward with any reasonable confidence. There is nothing for her but to enjoy or suffer in the present state as best she may. Schools in the Indian camps, under judicious and vigorous supervision (such as are in a few cases already established by the missionaries), would give honorable work, full of inspiration, to our best Indian girls.

Referring to reports from returned students, he also says:

There has been a less favorable account of the two girls who live in the camps with their mothers, which is their misfortune rather than their fault. There is not the regular employment for girls that there is for boys. The lot and the chance of the former are much harder than of the latter. The intelligent decent Indian girl is a problem. Teaching would be her hope if schools were provided.

To erect necessary buildings and pay teachers for such district schools will require another increase in appropriations, which I hope will not be wanting.

When such schools are established, compulsory education can be resorted to. This has already been partially tried at two agencies with considerable success, although the compulsion could not be made universal for the reason that school facilities fell far short of accommodating the school population. Two other agents have signified their intention of adopting such measures, and, with the help of their Indian police, will undoubtedly succeed. At other agencies, however, where there is greater disproportion between the number of children and the size and number of the school buildings, pupils have to be turned away from instead of forced to school.

I desire, in this connection, to renew my suggestion of last year, that the example of New York in extending her common school system over

her Indian reservations and employing educated Indians as teachers, is a most sensible one for other States to follow. The results thereof would be no less valuable to the State than to the general government.

Carlisle, Forest Grove, and Hampton training schools.—By reference to the reports of Lieutenants Pratt and Wilkinson, and of S. C. Armstrong, herewith, pages 237, 247, and 241, respectively, it will be seen that good work has been accomplished during the year at the Carlisle, Forest Grove, and Hampton training schools. They have been attended by 284, 91, and 101 pupils, respectively. The Carlisle pupils represent 33 tribes and 18 agencies; the Forest Grove pupils, 10 tribes and 5 agencies.

At Carlisle and Hampton the apprentices in the various shops have not only attended to the large amount of repairing, building, and furnishing required at the schools, but have manufactured for use at the various Indian agencies 253 sets double harness, 13 wagons and 1 buggy, 2,000 pairs shoes, and 14,124 articles of tinware, and the schools have been credited with the value of these articles at the contract prices paid therefor by the Indian Office. The apprentices to the trades of blacksmith, carpenter, printer, shoemaker, tinsmith, wheelwright, painter, butcher, tailor, saddler, and baker have numbered 183. The energies of the rest of the boys were devoted to farm work.

Only eight deaths have occurred at the two schools during the year, the improved health conditions being due partly to acclimatization, but more to greater watchfulness and a better understanding on the part of both instructors and pupils of the requirements of the Indian physique.

The practice of placing pupils in private families during the summer vacation has been continued with most satisfactory results. More homes were opened to them in Massachusetts and Pennsylvania than there were pupils to send; 106 boys and girls have thus been given the best possible individual training. Removed from the rules and restraints which make up the machinery of a large institution and render the life of its inmates more or less mechanical, they are thrown upon their own resources and responsibility, and learn the self-imposed restraints and amenities and tasks which characterize home life. The appreciation of the advantages shown by the children, and their usual readiness to do their share of the work of the farm or the house, has enabled Lieutenant Pratt to secure wages for all the pupils sent out by him this summer. These wages, varying from one to fifteen dollars per month, have been paid direct to the pupils and added to the womanliness and manliness of the recipients. The good record made by the Indian youth in their temporary homes is reported in detail by Lieutenant Pratt. Forty-eight of the Carlisle pupils will remain with their new friends during the winter, doing "chores" and attending public school. The size of the buildings and the appropriation allow for the education at Carlisle of about 300 pupils, but by placing children in private families Lieutenant Pratt proposes to reduce expenses and enlarge accommodations so that he can care for 380 pupils. He will also depend on the continued liberality of friends of the Indian, who have given substantial proof of their interest in the work at Carlisle by the contribution during the year of \$7,243.

The first "graduates" from Carlisle, consisting of 37 Sioux from Dakota and 35 representatives of tribes in the Indian Territory, returned to their homes in July last. These were the pupils with whom the school was started in October, 1879. It is expected that the majority of them will return to Carlisle this fall for further instruction. For this the most worthy and promising will be selected, and especially those whose

moral stamina has stood the test of the temporary return to the old associations and degradations. Though the record of the students who returned last year from Hampton has been in the main satisfactory, yet it is apparent that to return immature youth to heathen homes after only three years of training under specially favorable conditions is a hazardous experiment. Justice to the child as well as economy in the service require a supplemental course of at least two years, during which the seed sown may have opportunity to take deeper root. Hereafter parents will be expected to surrender their children for five instead of three years.

Industrial work at Forest Grove has met with unusual success. The blacksmith and shoe shops have netted \$772 to the school. The apprentices to the carpenter have put up two 2-story additions to the dormitories, 32 by 32 feet, and two smaller additions, 25 by 36 and 14 by 28, besides making furniture for the school and attending to necessary repairs. The renting of 45 acres furnishes an opportunity for practical lessons in farming, while several of the boys have been employed in the harvest field by farmers in that section. Lieutenant Wilkinson reports:

The local press of the country notes the fact that without the help of the boys of the Indian school some of the farmers of this section would have had great trouble in harvesting their crops. One paper has raised its warning cry for the protection of white labor as against Indian. The boys have worked side by side with the white man, earned the same wages, and this in a section of country where it has always been claimed the Indian would not work.

As stated last year the great need at Forest Grove is the purchase of land which shall be the property of the school.

Injustice has been done this school by the wording of the appropriation for its support, which limits the amount to be paid for the care and support of the pupils to \$200 per capita per annum. Expenditures can be reduced to this figure, but it will be at the expense of the best interests of the pupils in attendance.

Buildings.—Nine new boarding-school buildings have been occupied during the year, and in nine more new buildings schools will be opened this fall. The office has thus been enabled to open boarding schools for the first time among the 27,105 Indians of the five agencies already named, and also among the Yankton Indians; that tribe, however, has not been wholly deprived of boarding-school facilities hitherto, for the reason that the remissness of the government in that respect has been partially atoned for by the Episcopalians, who, for many years, have maintained there a flourishing boys' boarding school. The buildings to be occupied this fall will provide for the opening of boarding-schools for the first time among the 9,412 Indians of the Nevada, Umatilla, Blackfeet, and Warm Springs agencies, among the Snake Indians at the Yainax subagency in Oregon, and among the Poncas in the Indian Territory, who, since their removal thither, have had only a small day school. Arrangements have been made for putting up ten new buildings during the coming season to give new schools to the Pine Ridge, Rosebud, and Mescalero agencies, to replace the Wichita building, destroyed by fire in December last, and to give proper accommodations to five agency boarding schools that are now carried on at great disadvantage in rented buildings or in houses which, by dilapidation, unsuitable and inconvenient arrangement of rooms, and restricted limits, have become each year less and less adapted to the purpose for which they are used. Children who shiver in rooms ceiled with canvas, who dodge the muddy drops trickling through worn-out dirt roofs, who are crowded in ill-ventilated dormitories, who recite in a single school-room, three classes at a time, and who have no

suitable sitting-rooms nor bath-rooms, are not likely to be attracted to or make rapid advancement in education and civilization. But inadequate and delayed appropriations have necessitated the continued use, for school purposes, of buildings which long ago should have been condemned as unserviceable and even unsafe. The more generous treatment which Indian education received from Congress at its last session will do much toward remedying this unfortunate state of affairs.

Appropriations.—The legislation of Congress at its last session, in regard to Indian education, marks a new era in Indian affairs. The first appropriation, not required by treaty, made for the support of Indian schools, was \$20,000 in 1876. From that time it gradually increased until, in 1881, it reached \$85,000. This increase, of course, fell far short of meeting the increased needs of the service, and the deficit was made up from a fund called the civilization fund, being proceeds of the sales of Indian lands in Kansas. From July 1, 1877, to July 1, 1881, \$715,000 were placed on the books of the office to the credit of this fund. Of this about \$500,000 was expended during these four years in the establishment and support of schools, and the remainder in the purchase of wagons, farming implements, stock cattle, &c. From this fund the Hampton, Carlisle, and Forest Grove schools were established and maintained at an expense of nearly \$200,000.

Last fall there remained of the fund only enough to carry these schools through the fiscal year, and to carry several other schools through half the year. With some misgiving the office asked Congress for a deficiency appropriation for 1882 of \$50,000, and for an appropriation for 1883 of \$150,000 for general school purposes, and \$97,000 for Carlisle, Hampton, and Forest Grove, an amount barely sufficient to support existing schools for one year. No better evidence could be given of the newly awakened interest and faith of the people of the United States in Indian education than the appropriation by Congress for the year 1883 of \$300,000 for general education, \$115,200 for the support of the three training schools, \$50,000 for two new training schools, and \$17,000 for the education of Indians at various established industrial schools in the States.

The building left by the Pawnees on their reserve in Nebraska, when they removed to the Indian Territory, is being repaired and enlarged, and will be used for one of the new training schools. The other, by the terms of the appropriation, must be located in the Indian Territory, near the Kansas boundary and the Pawnee and Ponca reserves. Plans for this building have been prepared. The crowding of the three training schools already established, the expense of transporting pupils so great a distance from the Indian country, and the severe climatic changes to which it subjects them, have shown the desirability of establishing similar institutions in the region of the Mississippi River. This is now made entirely practicable by the legislation above referred to, and by another act which provides for turning over to the Interior Department, for Indian school purposes, buildings belonging to vacated military posts.

A long unheeded recommendation of this office for the appointment of an inspector of schools received favorable action by Congress at its last session. Through his personal supervision and inspection the school work can be doubled in efficiency and thoroughness, and *system* in Indian education becomes possible.

While providing for increased school facilities over nearly the whole Indian country, Congress by special legislation cut off all government

schools from the 2,000 Moquis Pueblos in Arizona. In the last Indian appropriation act is the following clause:

For the pay of agent * * * at the Moquis Pueblo agency, who shall also perform the duties of teacher and clerk, one thousand five hundred dollars, and no money appropriated by this act shall be expended for pay of teachers or for clerical labor at this agency.

An agent who has no clerk and is required to personally care for the interests of 2,000 Indians living in seven villages, distant from 14 to 36 miles from the agency, and only two of them accessible by wagons, will have little time to spend in the school room. Moreover, since a day school at the agency would be inaccessible to the children, and a day school at one of the villages inaccessible to the agent, the only practicable method of giving the Moquis an education is through a boarding school. Can Congress expect one man to serve not only as agent, clerk, and teacher, but also as matron, cook, and laundress, for \$1,500 a year?

While referring to the unusual increase in appropriations for schools during the past year, I ought to state that the service will suffer by any decrease in such appropriation hereafter. There are three classes of funds out of which Indian schools can be supported: (1) Appropriations made in fulfillment of treaty provisions which pledge either the payment annually of a specific amount for education or the support of specified schools. (2) Appropriations made solely for education, but made as a gratuity and not under treaty. (3) Appropriations made for general civilizing purposes, either in fulfillment of treaty obligations or as a gratuity. To these has been added in the past a civilization fund (not appropriated); but that, as already stated, is now exhausted.

The subjoined table shows approximately the amounts which have been expended under each of these heads for Indian education during the past six years.*

	1877.	1878.	1879.	1880.	1881.	1882.
Appropriations made in fulfillment of treaty provisions which pledge either specific sums for education or the support of specified schools.....	\$78,422	\$81,056	\$70,032	\$75,050	\$57,450	\$52,627
Expenditures for schools made from general funds appropriated or held in trust for the support and civilization of Indians.....	66,377	72,428	45,490	49,620	122,448	116,292
Special appropriations made for education.....	20,000	30,000	64,000	75,000	75,000	135,000
Expended from civilization fund for reservation schools.....	3,885	5,135	1,984	25,228	26,666	16,961
Expended from civilization fund for schools at Hampton, Carlisle, and Forest Grove.....			2,660	26,992	65,748	89,194
Expended from Sioux fund for Carlisle school.....				38,263	22,056	1,614
Total.....	168,684	188,619	190,225	290,463	379,288	411,538

NOTE.—These figures do not include the cost of rations and clothing used by pupils at agencies where regular issues of rations and goods are made to all the Indians of the agency.

It will be seen that the sum appropriated in fulfillment of specific treaty provisions for the support of schools is small. This sum will steadily decrease as the treaties expire. The amount which it has been practicable to spare for education from appropriations made for general civilizing purposes is also small. The demands for seed, breaking land, houses, furniture, farming implements, wagons, stock, cattle, &c., must be met from these funds, and those demands are so numerous and so urgent that when they are only partially met little money remains to be devoted to the equally important, but less imperative, school work. Therefore, for the continuing and enlarging of the school work the office

* A similar table is presented and the same subject is discussed in Sen. Ex. Doc. No. 113, 47th Congress, 1st session.

must depend upon appropriations made for that specific purpose without reference to treaty or any other obligation, except the obligation of an enlightened Christian people toward a barbarous pagan race, and the obligation of any government to preserve the health of its body politic by the uplifting of its lower classes.

Until the work is undertaken by the States, I take it for granted that the general government intends to see to it that Indian children shall be educated as rapidly as possible; that it intends to put some sort of schools within the reach of all Indian youth, and for several years at least to educate a large proportion of them in boarding schools; that it chooses the boarding school rather than the less expensive day school not only because more thorough discipline can be given therein, but also because education and at the same time civilization can be wrought into the Indian constitution faster by that process than by any other.

The cost of maintaining an Indian pupil in a reservation boarding school may be set down as a little over \$150 per annum; in a day school at about \$30 per annum. The whole number of Indian youth to be educated, exclusive of the five civilized tribes, may be estimated as between 45,000 and 50,000, and for moderate calculations the lower number may be taken. The average of the enrollment of pupils in school in Connecticut, Kansas, Nevada, Massachusetts, and Oregon is 80 per cent. of the school population, and the average attendance is 54 per cent. Nearly 19 per cent. of the school population among the Indian tribes was enrolled during the past year, and the average attendance was nearly 12 per cent. If adequate appropriations are made, the number enrolled ten years from now ought to be not less than 50 per cent., or 22,500 pupils. Half of these, educated in reservation boarding schools at \$150 per annum, would cost \$1,687,500; the other half, educated in day schools at \$30 per annum, would cost \$337,500. Therefore, to keep one quarter of the Indian school population in boarding schools and another quarter in day schools would require an annual expenditure of over \$2,000,000. Irregularity of attendance would decrease the cost somewhat, though not in the same ratio as that between the average attendance and the total enrollment, for the reason that the teaching force and various other expenses could not be allowed to vary with temporary fluctuations in attendance. Deducting 25 per cent. on this account would reduce the annual expenditure to \$1,500,000. This is a low estimate, and at the same time I have not taken into account the increased cost of giving Indian youth special training in schools remote from agencies.

Meantime, before the enrollment can reach 50 per cent. of the school population, a large number of buildings must be erected and furnished and liberal appropriations must be made therefor. Only 8,700 pupils can be crowded into all the school buildings now in use, and many of these buildings should be replaced by new ones.

The cost of education during the past year has been, approximately, \$411,538, in addition to the expense of rations and part of the clothing used by pupils at agencies where rations and goods are regularly issued to all the Indians on the reservation. The appropriations for education for the current year, in addition to amounts regularly appropriated in fulfillment of treaty provisions, aggregate \$489,400, and the appropriation asked for the fiscal year ending June 30, 1884, is \$917,000. This sum is required if the United States Government is to keep pace with its duties and opportunities in the matter of educating Indians.

I have spoken of the appropriations from which schools must hereafter be mainly supported as "gratuities." It will, however, require very many and very large so-called "gratuitous" appropriations to pay

the debt of the government to certain Indian tribes on account of unfulfilled treaty obligations. In general it may be said that where the treaty stipulated the payment of a certain annual sum for education, the promise has been kept; but where the support of certain schools was pledged without specifying the annual expenditure to be made therefor, the promise has been only partially kept. Belonging to the latter class are the treaties with the Sioux, Navajo, Kiowa and Comanche, Cheyenne and Arapaho, Shoshone, Molel, Walla Walla, D'Wamish, Makah, Quinaietl, Quillehute, S'Klallam and S'Kokomish tribes, which have an aggregate population of 68,000. Some of the treaties with these tribes promised a school for every thirty pupils for twenty years; others to establish and support manual-labor schools sufficient to accommodate the school population of the tribes.

I have not made an estimate of the extent to which the government has failed to fulfill its treaty obligations to these tribes from the date of the treaties up to the present time, but the following table shows the deficit between the promise and the performance in the years 1877 to 1881 inclusive:

Total cost of buildings required to accommodate the school population of these tribes, less such buildings as had been erected between the dates of the treaties and the year 1881.....	\$334,000
---	-----------

Appropriations required to support the schools called for by those treaties:	
--	--

1877	\$486,000
1878	486,000
1879	486,000
1880	486,000
1881	371,250
	<hr/>
	2,315,250
	<hr/>
	2,649,250

Amounts specifically appropriated for the support of those schools:	
---	--

1877	\$44,880
1878	48,080
1879	46,580
1880	46,280
1881	34,080
	<hr/>
	\$219,900

Balance due said tribes for the five years 1877-1881.....	2,429,350
---	-----------

Of course, the showing would be much more discreditable to the government if the calculation had covered the whole period since the signing of the treaties, but the above figures show that the indebtedness of the government to a little more than one-fourth of its Indian population on account of its failure to provide schools promised by treaty, is so great that it will be long before any appropriations for education among these tribes can be considered as gratuities, or in any other light than a tardy payment of an old debt.

ALLOTMENT OF LAND IN SEVERALTY AND A PERMANENT TITLE.

In the last annual report of this office this subject was treated at some length. Nothing in the experience of the past year has occurred to demonstrate the inadvisability of the plan, or to cause me to change my views upon the subject. I still believe that in a great measure the future welfare and prosperity of the Indians depends upon giving them a several interest in their lands, with such a title as will protect them and their children in the peaceful and quiet possession and enjoyment thereof. In my opinion this plan is one of the keys to the solution of the Indian question. As stated in my report of last year. "The allotment system tends to break up tribal relations. It has the effect of

creating individuality, responsibility, and a desire to accumulate property. It teaches the Indians habits of industry and frugality, and stimulates them to look forward to a better and more useful life, and, in the end, it will relieve the government of large annual appropriations." All Indians may not at present be prepared to use to advantage lands allotted to them individually. But many of them are, and where prepared for it, the Indian should have a home of his own, as the white man has.

In many of the treaties with these people no provision is made for the allotment of their lands. In others, which contain such provisions, the amount is entirely inadequate to the wants and necessities of the Indians, being in some instances as low as twenty acres. A great many tribes occupy reservations created by the President. There is no authority of law for the allotment of the lands within this class of reservations. Many of the reservations upon which there is authority for a division of the lands in severalty have never been surveyed and subdivided, and in numerous cases where this has been done the monuments, stakes, and other marks of the survey have been destroyed and obliterated by the elements or otherwise, so that even where treaty stipulations authorize allotments they cannot be made from this cause. The correspondence on the files of this office show that very many of the Indian tribes are clamorous for the allotment of their lands in severalty. Why not, then, encourage them in this advanced step towards civilization? Give the Indian his land in severalty. Let him feel his individuality and responsibility, and a sense of proprietorship. Encourage him to go to work and earn his living and provide for the future wants and necessities of himself and family, and abandon his shiftless, do-nothing, dependent life.

Upon the subject of property, Malthus says:

According to all past experience and the best observations which can be made on the motives which operate upon the human mind, there can be no well-founded hope of obtaining a large produce from the soil but under a system of private property. It seems perfectly visionary to suppose that any stimulus short of that which is excited in man by the desire for providing for himself and family, and of bettering his condition in life, should operate on the mass of society with sufficient force and constancy to overcome the natural indolence of mankind. All the attempts which have been made since the commencement of authentic history to proceed upon a principle of common property have either been so insignificant that no inference can be drawn from them or have been marked by the most signal failures; and the changes which have been effected in modern times by education do not seem to advance a single step toward making such a state of things more probable in future. We may therefore more safely conclude that while man retains the same physical and moral constitution which he is observed to possess at present, no other than a system of private property stands the least chance of providing for such a large and increasing population as that which is to be found in many countries at present.

These principles apply as well to the Indian as to the white man. So long as the government continues to feed the Indian and encourages him in his lazy, indolent, vagabond life, just so long will large annual appropriations have to be made out of the public treasury for that purpose. The government has before it the alternative of perpetually supporting them as idlers and drones, or of adopting some measure looking to their education in manual labor and other industrial pursuits, and their ultimate self-support and civilization. Bills providing for allotments of land in severalty were introduced in the Forty-fifth, Forty-sixth, and Forty-seventh Congresses, but no final action has been reached. It is to be hoped that Congress at its coming session will take some final and definite action upon a subject that involves so much and which is of such vital importance, not only to the Indian in his advancement and civilization, but to the general government.

INDIAN HOMESTEAD ENTRIES.

I again invite attention to the necessity of legislation by Congress to enable Indians to enter lands under the fifteenth and sixteenth sections of the act of Congress approved March 3, 1875, extending to Indians the benefits of the homestead act of May 20, 1862 (now embodied in sections 2290, 2291, 2292, and 2295 to 2302 Revised Statutes), without the payment of the fees and commissions now prescribed by law in such cases.

In my report for last year attention was called to the fact that, until a change is made in the law as therein recommended, it is of great importance that the department should have at its disposal a fund that can be used for the payment of entry fees and commissions, and that an estimate for the sum of \$5,000 had been submitted with that end in view. No appropriation for that purpose was made. I have again submitted an estimate for the sum of \$5,000, and trust that Congress will either amend the law so as to allow Indians to enter homesteads without cost to them, or will make appropriation of the sum estimated for.

UNITED STATES INDIAN POLICE.

Four years have now elapsed since the establishment of the United States Indian police service. Tried as an experiment, it has proved a decided success. It has accomplished all that was claimed for it, and at many agencies has become an absolute necessity. The police force was organized in the summer of 1878, in accordance with an act of Congress approved May 27, 1878, for the purpose simply of maintaining order on the reservations and of preventing the sale of liquor to Indians. Their actual duties take a much wider range. They not only take pride in keeping good order and in breaking up immoral practices, and in preventing the introduction of liquor, but they assist the agents in the discharge of many other important duties. They are proud of being considered United States soldiers, and are uniformly faithful and true to the government. Wearing the uniform of officers of the law, they have an educational influence over their associates the value of which cannot be estimated.

The system is now in operation at forty agencies, the total force employed being eighty-four commissioned officers and seven hundred and sixty-four non-commissioned officers and privates.

I would again invite attention to the small compensation allowed the officers and members of the police force. The character and requirements of the service are such as to demand the very best men at the various agencies, but these cannot often be induced to serve for the small pay offered. I would recommend that commissioned officers be paid fifteen dollars per month, sergeants ten dollars per month, and privates eight dollars per month. A much more satisfactory arrangement would be to invest the Commissioner of Indian Affairs with discretionary power as to salaries, the service at some agencies being of vastly more importance than at others.

STOCK-CATTLE, WAGONS, AND FREIGHTING BY INDIANS.

From July 1, 1878, to June 30, 1881, there were purchased for the Indians 13,264 head of stock-cattle. A detailed report of the number furnished each agency was given in my report for last year. From July 1, 1881 to June 30, 1882, stock-cattle were purchased as follows: For Osages, 1,825 head; Poncas, 507 head; and Sioux at Sisseton Agency, 437 head.

The number of wagons purchased from July 1, 1877, to June 30, 1881, was 3,558, and during the fiscal year 1882 there were purchased and shipped to different agencies 605 wagons, making a total of 4,163 wagons purchased for the Indian service in six years. A large number of Indians successfully transport their goods and supplies from steamboat landings and the terminus of the railroads to their agencies, thereby earning considerable sums. Over \$150,000 were remitted during the fiscal year 1882 to agents for payment to Indians for transportation services performed, of which amount the Cheyennes and Arapahoes earned \$19,000, the Kiowas, Comanches and Wichitas \$15,000, the Sioux of Pine Ridge \$51,000, and the Sioux at Rosebud \$33,000. The freighters are paid at the rate of \$1 to \$1.50 per 100 pounds per 100 miles, according to the condition of the roads over which the supplies are carried. The experiment was made this year of having the "wild Crows in Montana" transport their supplies from the steamboat landing (Huntley) to their agency, and it has so far proven a success.

PURCHASE OF ANNUITY GOODS AND SUPPLIES.

Owing to the late date when the appropriation bill for the support of the Indian service for the current fiscal year was passed (May 17, 1882) bids for the annuity goods and supplies required for the fiscal year 1883 were not opened in New York until May 23, last. The schedule of goods and supplies required comprised over 1,800 articles, and for furnishing the same there were received 341 bids at the opening in New York, and at the opening at San Francisco, on the 15th of August last, 27 bids were received, making a total of 368 sealed bids received for furnishing goods and supplies for the present fiscal year; 207 contracts were executed, made out in quadruplicate, each one accompanied with a bond for the faithful performance of the same. The contracts in New York were awarded by me, with the assistance of the Board of Indian Commissioners, and the Hon. J. K. McCammon, representing the department, after the samples offered with the bids had been properly examined by inspectors appointed for that purpose.

It is of the utmost importance that contracts for goods and supplies for the Indian service be let early in the spring, and I cannot too strongly urge upon Congress the necessity for the early passage of the appropriation bill for the Indian service. The amount appropriated for the different tribes and bands varies every year, and the work of determining what supplies can be furnished cannot begin until after the passage of the appropriation bill by Congress. This work is one of great importance, but, owing to the late date at which these bills are passed, has to be done hastily, at night, in order to enable this office to prepare and have printed schedules of all articles required. A large proportion of these goods and supplies are for agencies on the Missouri River, and they have to be shipped before the close of navigation, which occurs, on an average, not later than October 1. Bacon purchased at these late lettings must be shipped during the hottest summer months, and of the 1,000,000 pounds purchased every year, not less than 10 per centum is lost by shrinkage in transportation during the warm weather, making an annual loss of over \$10,000 on that article alone.

The delivery, inspection, and shipment of goods is mostly done in New York, in a warehouse rented for that purpose. There all goods are delivered, properly marked with a number which must correspond with the number on the invoice of the articles furnished; all invoices must be made out in quadruplicate, and must give the number, weight, and contents of each package charged for. After delivery of the goods,

they are inspected by a person appointed for that purpose, and each package stamped by the inspector with his name. A copy of each invoice is forwarded by first mail to the agent for whom the goods are intended, in order that he may compare the quantities received with the articles invoiced. A complete record of all packages received and shipped is kept, giving the name of the articles, date of inspection, of shipment, &c. The number of packages received and shipped from May 23 to October 15, 1882, is 27,988, the total weight being 4,330,361 pounds, and, as in every year since 1878, not one package remains unaccounted for. The invoices received and permanently recorded as to numbers, marks, articles, dates of receipt, inspection, and shipment, routes by which goods were forwarded, and names of transportation contractors in each instance, have reached the number of 4,224 sets, of four each, three of which are transmitted from New York to this office, and one to the respective agencies; these are in addition to deliveries of goods made in Western cities, the papers for which are received in New York, carefully examined, and in many instances returned for correction in order that they may be in proper form when presented to this office for settlement. A detailed record of each shipment is also kept, by which any package can be accurately described in event of its being lost or astray. Requisition sheets used in ordering goods from the various contractors number 650; these do not include the orders for medical supplies, of which there were 83.

The character of goods delivered indicates a steady improvement on the part of contractors, there having been fewer instances of goods being rejected than in any previous year. The clothing particularly is worthy of special mention, from the fact that in former years more trouble was experienced in obtaining goods equal to contract samples than in all other lines combined. This year contractors appear to have adopted a rule of making the goods as much *better* than sample as they could afford; the inspector having repeatedly stated that the general make-up equaled the best class of ready-made clothing offered for sale in the city. This applies also to brown duck clothing, the manufacturers having shown marked improvement and entirely overcome difficulties in shaping and fitting which two years ago were claimed to be insurmountable, owing to the stubborn nature of the material used.

The inspectors, with one exception, have responded promptly when called upon, and performed their duties faithfully and well.

SANITARY CONDITION OF THE INDIANS.

The sanitary status of the Indians, compared with preceding years, shows improvement. The number of cases treated during the year ending June 30, 1882, were, males, 41,124; females, 32,409; total, 73,533. Number of cases remaining under treatment last annual report, 1,545; aggregate under treatment during the year, 75,078; recovered, males, 40,099; females, 31,433; total recovered, 71,532.

Died, aged over five years, males	417
Died, aged over five years, females	386
Died, aged under five years, males	202
Died, aged under five years, females	220

Total deaths	1,225
--------------------	-------

Remaining under treatment June 30, 1882, 2,321. A tabulated statement will be found facing page 426 showing the number of patients treated and respective diseases. The most formidable of the diseases noted

are consumption and scrofula; the *sequela* in most of these cases noted being syphilitic infection. The greatest morbid agents have been, in the Southwest, of a malarious character, and in the Northwest, rheumatic and pulmonary. The number of births reported by the agency physicians were, males, 606; females, 553; total births, 1,159; of this number 1,046 are Indians, 99 half-breeds, and 11 are whites. The limited number of births reported is accounted for by the peculiar social custom in vogue among the Indians, which causes them to regard the mention of a birth as an indelicacy, and which precludes the physicians from ascertaining and reporting any except those which come under their immediate observation. The same remarks apply also to the deaths. The number vaccinated successfully was 6,951; unsuccessfully, 2,029; total vaccinated, 8,980.

The medical corps consists of 64 physicians, and the inference is that they have faithfully performed the duty assigned them. The physicians are steadily gaining the confidence of the Indians, and the power of the native "medicine man" is surely and gradually waning. The marked contrast between the civilized method of caring for the sick, compared with the barbarous method of the native "medicine man," has accomplished and is accomplishing much to induct the Indians into the methods and customs of Christian and civilized mankind. To the untutored mind of the Indians every action, to be effective, must have a practical bearing; every endeavor to advance them in the scale of civilization must present a phase looking to their individual temporal well-being. This is strictly true and demonstrable as to the physician's skill and surgeon's art.

When the length of time (three or four years) which is required for the physician to familiarize himself with the language, habits, and mental peculiarities of Indians is taken into consideration, and also the diplomacy which is required to obtain and maintain their confidence, it is obvious that it is specially desirable to procure efficient and, if possible, permanent medical officers of pronounced moral and temperate habits, of great will power, capable of making good and enduring impressions on the Indians. It is detrimental to the service to be continually changing medical officers.

In connection with permanent medical officers, a system should be inaugurated of caring for the blind, insane, and destitute aged Indians.

COAL DISCOVERIES ON THE WHITE MOUNTAIN INDIAN RESERVATION, ARIZONA.

In the early part of last year valuable deposits of coal were discovered within the limits of what is generally known as the San Carlos division of the White Mountain Indian Reservation in Arizona Territory. Owing to the scarcity of wood or other fuel in that section of Arizona, the news of the discoveries created intense excitement, and speculators, miners, and prospectors poured in upon the reservation, thereby greatly endangering the peace of the Territory. No serious trouble occurred, however, and by the exercise of prompt and vigorous measures the reservation was finally cleared of intruders and tranquillity restored.

Various expedients were then resorted to in order to obtain lawful possession of the discoveries. Appeals were made for the segregation of the coal-bearing lands from the reservation; requests for leases were presented, and proposals submitted for an exchange of the coal lands for lands adjacent to the reservation elsewhere. A bill was introduced

in Congress (H. R. 4146) having for its object the restoration of the lands embracing the coal beds to the public domain, as well as a strip extending along the entire western boundary of the reservation. Another bill, having a similar object (H. R. 5378), provides for an exchange of the coal-bearing lands for grazing and arable lands to be added to the reservation on the north and west. The practicability of removing the Indians to the Indian Territory was discussed, and a proposition of that kind was presented to the Indians themselves; but it was found that they were decidedly and unalterably opposed to any such measure.

This office has been in sympathy with the general desire to have these valuable deposits made available to the public use, but how to accomplish that end without working injustice to the Indians has been a question requiring serious consideration. General Sherman, when on a recent visit to the San Carlos reserve, expressed the opinion that the Indians could never be prevailed upon to remove again, and it is exceedingly doubtful if they would be satisfied with any further reduction of their reservation, it having already been cut down no less than five times within the last ten years. The government cannot undertake to work the mines, nor are the Indians sufficiently advanced as artisans or in ordinary manual-labor pursuits to do so advantageously, had they the necessary authority to enable them to dispose of the coals as a means of profit to themselves. Moreover, under existing law there is no authority for permitting the severance and removal from an Indian reservation, for purposes of sale or speculation, of any material attached to or forming a part of the realty, such as timber, coal, or other minerals.

After carefully considering the questions involved, this office became convinced that the most practicable solution of the matter would be the adoption of a system of leasing upon a royalty plan; and accordingly a draft of a joint resolution was prepared in this office and submitted to the department in April last with a view to securing the needful legislation therefor. It was believed that by this means a very large part of the annual expenditure for the support and care of the Indians of Arizona and New Mexico might be reimbursed to the government from the profit of the mines without hardship to consumers, and that the Indians themselves would be greatly benefited, not only by the example of industry set, but through the opportunity that would be afforded them to earn wages by their own labor. The draft of resolution as prepared, was transmitted to Congress by the President on April 17, following, but no final action had been taken thereon at the date of adjournment.

The following is the language of the resolution:

JOINT RESOLUTION authorizing the Secretary of the Interior to lease certain coal lands embraced within the limits of the White Mountain Reservation in the Territory of Arizona.

Whereas it has been discovered that large and valuable deposits of coal exist within the limits of the White Mountain Reservation, in the Territory of Arizona, a reservation set apart by sundry executive orders; and

Whereas it would be contrary to the practice, if not beyond the lawful power of the executive department of the government having the management and control of the Indians and the Indian country, to remove the coal there known to exist, or to permit its removal for the purpose of profit, or for any purpose other than to meet the necessary wants of the Indians or the agency or military service in the care and oversight of the Indians, without the express authority of Congress therefor; and

Whereas the government is expending annually not less than three hundred thousand dollars for the support of the Apache and other Indians in Arizona and New Mexico, which amount, it is suggested by the executive department aforesaid, might be largely if not wholly reimbursed to the government without hardship to those who would be the natural purchasers and consumers thereof, if said coal were made

available as an article of commerce, by leasing the coal-bearing lands to persons who would mine the same if permitted to do so: Therefore,

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior be, and he is hereby, authorized and empowered to lease, after due public advertisement in not less than three newspapers having the largest regular circulation in the Territory of Arizona, for a period of not less than thirty days, to the highest responsible bidder for cash, on a system or basis of royalty, under such terms, restrictions, and limitations as in his best judgment he may see fit to require, and in such tracts or parcels as he may deem proper and necessary for the public good, any or all of the coal beds now known to exist, or that may hereafter be discovered, within the limits of said reservation: the moneys accruing therefrom to be covered into the Treasury of the United States in reimbursement of any moneys that may hereafter be appropriated for the support and care of the said Apache and other Indians in Arizona and New Mexico: *Provided*, That if any amount in excess of the sum required annually to maintain and care for said Indians shall be realized from the lease or leases that may be executed under the authority of this act, such amount shall be used to reimburse the government for any moneys that may hereafter be appropriated for the support and care of any of the other bands or tribes of Indians in the Southwest.

I respectfully renew my recommendations in respect of the foregoing.

HUALAPAI.

The condition and wants of the Hualapai Indians in Arizona were referred to in my last annual report, and mention was made of the fact that at their request General Willcox had ordered that a tract about 30 miles wide and 100 miles long, lying along a bend in the Colorado River, be set apart as a "military reservation for the subsistence and better control of the Hualapai Indians." General Willcox, in a communication to the Secretary of War dated June 30, 1882, earnestly recommended that the reservation prescribed in General Orders No. 16, series of 1881, Headquarters Department of Arizona, as above, be confirmed by the President, and that further steps be taken for the care and protection of these Indians.

In a report dated September 5, 1882, I submitted a draft of an executive order setting aside the country within the boundaries named in General Orders No. 16 as a reservation for the Hualapai Indians, with the recommendation that the same be laid before the President for his approval. Should this order receive the approval of the President, the reservation, which has heretofore been under the control of the military authorities, will be subject to the jurisdiction of this department, and with the Indians thereon should be assigned to the care of the agent at the nearest existing agency. Proper appropriations should be made by Congress for the care and support of these Indians.

UTES.

The Ute Commission, appointed under authority of the Ute agreement act, approved June 15, 1880, to carry out certain provisions of said act, though somewhat changed in *personnel*, is still in existence, the important work required of it not having been completed. The commissioners are now in the field attending to divers duties.

The surveys for the Uncompahgre and White River Utes, necessary to the allotment of lands in severalty, as provided in the agreement, are being executed under direction of the General Land Office. The surveys for the Southern Utes have been made in the field and returned to the General Land Office in part.

By act of Congress approved July 28, 1882, all that portion of the Ute Reservation in Colorado lately occupied by the Uncompahgre and White River Utes is declared to be public land of the United States,

and subject to disposal in accordance with the provisions and under the restrictions and limitations of section 3 of the Ute agreement act, with certain exceptions in respect of prior lawful entries, settlements, and locations made upon the "ten-mile strip" on the eastern border thereof.

COMMISSION TO SIOUX OF DAKOTA.

A commission composed of Messrs. Newton Edmunds, Peter C. Shannon, and James H. Teller was recently appointed, under authority contained in the act making appropriations for the sundry civil expenses of the government, approved August 7, 1882, to negotiate with the Sioux Indians for such modification of existing treaties and agreements with said Indians as may be deemed desirable by the Indians and the Secretary of the Interior.

Under date September 16 (ultimo) specific instructions were issued by this bureau for the guidance of the commissioners in the delicate and responsible duties with which they are intrusted. They are now in the field, diligently engaged in the work assigned them. The main purpose is to ascertain whether the Indians are willing to cede to the United States any portion of their reservation in Dakota, and, if so, what portion and upon what terms.

FORT HALL RESERVE, IDAHO.

At the last session of Congress bills (S. 1643 and H. R. 3503) to ratify the agreement of May 14, 1880, with the Shoshone and Bannack Indians for the cession of a portion of the southern half of the Fort Hall Reservation, including Marsh Valley and the settlements therein, were reintroduced. On the 8th March last the bill was favorably reported from the House Committee on Indian Affairs (Report No. 658), but it does not appear that any further action was taken. It is hoped that Congress will dispose of this long-pending matter early in the ensuing session, and thereby open up some 325,000 acres of land to settlement.

ALLOTMENTS TO NEZ PERCÉS IN IDAHO.

The third article of the Nez Percé treaty of June 9, 1863 (14 Stat., p. 648), stipulates that—

The President shall, immediately after the ratification of this treaty, cause the boundary lines to be surveyed and properly marked and established; after which, so much of the lands hereby reserved as may be suitable for cultivation shall be surveyed into lots of twenty acres each, and every male person of the tribe who shall have attained the age of twenty-one years, or is the head of a family, shall have the privilege of locating upon one lot as a permanent home for such person.

A portion of this reservation has been surveyed into twenty-acre tracts, and the Indians have taken steps to establish permanent homes on the reservation, but in larger tracts than the treaty provides. The Lapwai Reservation, whose outboundaries have been surveyed, contains 746,651 acres, upon which there is a population of 1,236 persons. To limit allotments to twenty acres, as provided in said treaty, when there is a superabundance of land for an allotment of much larger size to every Indian residing thereon, seems a great hardship and looks like a palpable wrong to those desiring to make a permanent home. Recommendation is therefore made that Congress be asked to adopt such legislation as will authorize them to take an ample quantity of land for their home and residence.

MIAMIES OF KANSAS.

An act of Congress approved May 15, 1882, provided for the disposal and sale of the unallotted lands of the Miami Indians in Kansas, including the school sections, the net proceeds of the sales of said lands to belong to said Miami Indians, and to be disposed of as now provided by law. The fourth section provided that the act

Shall not in any way affect the rights or claims of those individual Miamies, or persons of Indian blood or descent, who are named in the corrected list referred to in the Senate amendment to the fourth article of the treaty of June fifth, eighteen hundred and fifty-four, or their descendants. And that before the proceeds which have been, or may hereafter be realized from the sale of said lands shall be applied for any purpose, the Secretary of the Interior shall obtain the opinion of the Attorney-General as to what rights or interests, if any, said persons have or had in and to said lands.

A full statement of the facts upon which the opinion of the Attorney-General was required was submitted to the department under date of June 12th, 1882. In an opinion dated July 7, 1882, the honorable Attorney-General held:

1st. That the lands which have been or are to be sold, and the proceeds distributed by the act of May 15th, 1882, were set apart, assigned to, and were for the sole benefit of, the Miami tribe of Indians, meaning thereby those who at the time of the survey of the reservation had emigrated and settled on the lands.

2d. That this division of these Indians only are entitled to the proceeds of the sales of the residue mentioned in the second article of the treaty of June 5, 1854, being the same lands referred to in the third section of the act of May 15, 1882.

3d. That "those individual Miamies, or persons of Miami blood or descent, who are named in the corrected list referred to in the Senate amendment to the fourth article of the treaty of June 5, 1854, and their descendants," have no title or claim to, or interest in, the said residue or the proceeds of the sales thereof.

In my judgment they never had any part or lot in the reserved lands.

KICKAPOO ALLOTTEES UNDER TREATY OF 1862.

Attention was called in my last annual report to the condition of affairs relative to the estates of deceased and minor allottees, under the provisions of the Kickapoo treaty of June 28, 1862 (13 Stat., 623), and to the fact that the treaty contained no provision by which female allottees could become citizens and obtain patents for their lands. A bill was prepared in this office, in accordance with the views expressed in that report, providing for the settlement of the estates of deceased allottees and extending the benefits of the treaty to all adult allottees, without regard to their being "males and heads of families," which was submitted to Congress by your predecessor through the President on the 13th of January last. (Senate Ex. Doc. No. 55, Forty-seventh Congress, first session.) This bill (Senate No. 932) passed the Senate on the 29th of March, 1882, but no action appears to have been taken thereon in the House of Representatives. It is important that the bill should be favorably acted upon by the House and become a law at the next session of Congress.

SALE OF KICKAPOO LANDS IN KANSAS.

Reference was also made in the last annual report to certain tracts of land reserved by said Kickapoo treaty as a site for a saw and grist mill, and for missionary purposes respectively, which were to be disposed of when the objects for which they were reserved should be accomplished, in such manner and for such purpose "as may be provided by law." An act of Congress approved July 28, 1882, authorizes the Secretary of the Interior to cause to be appraised and sold, for cash, to the highest bidder, after due advertisement, in tracts not exceeding one hundred and sixty acres to any one person, the tracts reserved for mill-site and missionary and agency purposes,

no tracts to be sold for less than the appraised value thereof, and in no case for less than six dollars per acre. The net proceeds of the sales of these lands are to be deposited in the Treasury of the United States to the credit of the Kickapoo tribe of Indians, and are to bear interest at the rate of four per centum per annum. The Secretary of the Interior is authorized to expend the interest annually accumulating thereon and all or any part of the principal fund, at such time and in such manner as he may deem expedient for the best interests of said Indians.

The designation of H. C. Linn, farmer in charge of the Pottawatomie agency, and the register and receiver of the land office at Topeka, Kans., as appraisers, for the purpose of carrying out the provisions of the act, was recommended in office report dated August 31, 1882.

CREEK AND SEMINOLE BOUNDARY.

This subject was fully considered in my annual report of last year, and the action of the department and of these two nations stated. The attention of the department was again called to the subject in a report dated January 9, 1882, recommending the ratification by Congress of an agreement made February 14, 1881, by the Creek Indians, to sell to the United States a portion of their lands for the use of the Seminole Indians. Said agreement is as follows:

Under the provisions of the act of March 3, 1873 (17 Stat., p. 626), the Secretary of the Interior was authorized to negotiate with the Creek Indians "for the relinquishment to the United States of such portions of their country as may have been set apart in accordance with treaty stipulations for the use of the Seminoles and the Saes and Foxes of the Mississippi tribes of Indians respectively found to be east of the line separating the Creek ceded lands from the Creek Reservation, and also to negotiate and arrange with said tribes for a final and permanent adjustment of their reservations."

So much of said act as relates to the Saes and Foxes has been carried into effect by their removal to their proper location on lands west of the said "dividing line." The Seminoles, however, are still occupying the lands belonging to the Creeks, for which occupancy the Creeks have as yet received no compensation, from the fact that no agreement could be arrived at between them and the United States as to the price per acre to be paid to the said Creeks by the United States for said lands.

The undersigned, members of the Creek delegation resident in Washington, duly authorized to act in the premises, both by appointment for general purposes under the certificate of the governor under the national seal, and also by special action of the national council in this instance, copies of which general and special authority are hereto attached, do promise and agree for themselves and for their nation that they will sell, cede, and dispose of the lands now occupied by the Seminoles belonging to the Creek Nation to the United States for the sum of one hundred and seventy-five thousand dollars.

And the said Creek delegation do hereby agree, for and on behalf of said nation, that they will cede to the United States, and do hereby cede, a strip of land in the Indian Territory, now occupied by the Seminole Nation of Indians, lying east of the said line dividing the Creek lands from the lands ceded to the United States in the treaty of June 14, 1866; bounded on the north by the North Fork of the Canadian River; on the south by the Canadian River; on the west by the dividing-line between the Creek Reservation and the lands ceded under treaty of 1866 above noted; and on the east by a line running north and south between the rivers named, so far east of said divisional line as will comprise within said described boundaries one hundred and seventy-five thousand (175,000) acres, at the price of one dollar (\$1) per acre; said cession to be in full force and effect when the sum of one hundred and seventy-five thousand dollars shall have been deposited in the Treasury of the United States to the credit of the Creek Nation, to draw interest at the rate allowed in the treaty of June 14, 1866, wherein certain of their lands in Indian Territory were ceded to the United States; and one-third of said fund shall be forever set aside for educational purposes, and the remaining two-thirds shall be subject to such use as the Creek Council shall determine.

WARD COACHMAN,
PLEASANT PORTER,
DAVID M. HODGE,
Creek Delegation.

WASHINGTON, D. C., February 14, 1881.

With this report was submitted the draft of a bill to accept and ratify said agreement, providing that the Secretary of the Treasury should set apart and hold as a perpetual fund, as provided in the agreement, in trust for the Creek Nation, the sum of \$175,000, to bear interest at 5 per cent. per annum; and also providing that the lands ceded to the United States should be set apart for the exclusive use and occupancy of the Seminole Nation of Indians, to be held by the same title as they hold their lands under the treaty of March 21, 1866, when the Seminoles should have relinquished to the United States the same quantity of land from the west side of the present reserve, and when said relinquishment should have been approved by the Secretary of the Interior and duly recorded in this office; and providing, further, for an appropriation of \$3,000, or so much thereof as might be necessary, to establish the outboundaries of said areas of land.

By the deficiency appropriation act of August 5, 1882, the sum of \$175,000, as per agreement made February 14, 1881, in pursuance of the act of March 3, 1873, was appropriated to pay the Creek Nation of Indians for 175,000 acres of land now occupied by the Seminole Nation.

As no appropriation was made to pay the expense of a survey of the outboundaries of said purchase, and the necessity of establishing permanent boundary lines, clearly defining the divisional line between the Seminoles and Creeks, is apparent, I recommend that an appropriation sufficient to enable the department to establish said boundaries be made, which should be in addition to the \$100,000 asked for in the regular estimates.

FREED MEN IN INDIAN TERRITORY.

The rights guaranteed to the freedmen in the Indian Territory by treaty stipulations have been ignored, and so far as their interests are involved the treaties themselves have been virtually set aside, both by the Indians and by the government.

Cherokee Nation.—By the fourth article of the Cherokee treaty of July 19, 1866 (14 Stats., p. 800), a tract of country in the Cherokee reservation, known as the Canadian District, was set apart for the settlement and occupancy of—

All the Cherokees and freed persons who were formerly slaves of any Cherokee, and all free negroes not having been such slaves, who resided in the Cherokee Nation prior to June first, eighteen hundred and sixty-one, who may within two years elect not to reside northeast of the Arkansas River and southeast of Grand River.

By the fifth article provision was made that those inhabitants electing to reside in said district might elect local officers, judges, &c., control all their local affairs, establish rules and regulations for the administration of justice in said district not inconsistent with the Cherokee constitution or the laws of the United States. By the ninth article the Cherokee Nation further agreed that all freedmen who had been liberated by the voluntary act of their former owners or by law, as well as all free colored persons who were in the country at the commencement of the rebellion and were residents therein at the time of the treaty, or who returned within six months, and their descendants, should have all the rights of native Cherokees, *provided* no pay or compensation should be paid for the slaves so emancipated. The tenth article declared that every Cherokee and freed person resident in the Cherokee Nation should have the right to sell the products of their farms, including live stock, merchandise, or manufactured products, and to ship and drive the same to market without restraint.

A bill to enforce the ninth article of the treaty of 1866, &c. (S. 648) was introduced in the Senate of the United States by Senator Ingalls

June 3, 1879, and reported June 4, 1880, by Senator Williams, amending said bill so as to authorize the President of the United States to enter into negotiations with the Cherokee Nation for the purpose of finally settling the status and rights of the colored people in said nation, provided that such negotiations must be approved by Congress; but no subsequent action was taken thereon. By an act of the Cherokee Council, approved December 6, 1879, the Cherokee delegates were authorized and instructed to make arrangements for negotiation or otherwise with the government whereby existing difficulties and embarrassments between the nation and the government might be finally settled, respecting the status and rights of the colored people as stipulated in the treaty of 1866.

On the 28th of June, 1880, the Cherokee delegates called the attention of this bureau to said act, stating that the nation was anxious to settle the question, while the department acknowledged the necessity for action to relieve this office of embarrassment in the administration of law in the premises, and requested that a commissioner or representative of the department attend the Cherokee Council at its next meeting. Accordingly Agent Tufts was directed, October 16, 1880, to attend said council and endeavor to secure such legislation as would secure the colored people the rights guaranteed them in the treaty of 1866. Agent Tufts attended said council, and, after a full interchange of views, the council passed an act which was approved November 23, 1880 (see Cherokee Laws, p. 325, edition of 1881), authorizing the principal chief to appoint three commissioners on the part of the nation to confer with John Q. Tufts, United States Indian agent, for the purpose of draughting articles of agreement for the final settlement of the status of the colored people residing in the nation and embraced in the treaty of July 19, 1866, said articles of agreement to be first submitted to the national council for approval, and, when approved, submitted to the Commissioner of Indian Affairs for ratification by Congress. Agent Tufts met the commissioners appointed, but soon discovered that no action granting the freedmen the rights to which they were entitled would be entertained by them. It was decided, therefore, to refer the matter to the next council, which met in November, 1881, when a general discussion was had, but no action was taken. In his report of January 26, 1882, Agent Tufts states that—

It is unpopular in the Cherokee Nation to advocate a measure that provides for placing the colored man on an equality with Cherokees, and the politicians are civilized enough to do nothing that might lessen their chances for political success; hence until the sentiment shall undergo a revolution there will be no favorable action.

From the hesitancy heretofore shown by the nation to carry out in good faith toward the colored people simply what has been granted them by the treaty, I am convinced that the nation will not fix and settle the status of the colored people until a more peremptory demand is made on the nation to execute the conditions of their treaty respecting them.

Many of the colored people speak the Cherokee language, and having been brought up among Cherokees and accustomed to their ways, it would be a hardship to remove them from that country, and remaining in the nation, they should be accorded all their rights. Agent Tufts recommended the appointment of a commission to visit the agency with authority to hear evidence and determine the question whether the claimants were freedmen liberated by voluntary act of owner, or by law, or whether they were free colored persons and in the country at the commencement of the rebellion; and whether they were resi-

dents of the nation at the time of the treaty, or returned within six months thereafter—the findings of the commission to be submitted to the department for approval.

Chickasaw Nation.—The status of the freedmen in this nation was fully stated in my annual report of last year (p. LII), and I invite your attention to the subject again as one requiring definitive action on the part of Congress. An act was passed by the legislature of the Chickasaw Nation, which was approved January 10, 1873, entitled "An act to adopt the negroes of the Chickasaw Nation," as follows:

SECTION 1. *Be it enacted by the legislature of the Chickasaw Nation.* That all the negroes belonging to Chickasaws at the time of the adoption of the treaty of Fort Smith, and living in the Chickasaw Nation at the date thereof, and their descendants, are hereby declared to be adopted in conformity with the third article of the treaty of 1866, between the Choctaws, Chickasaws, and the United States: *Provided, however,* That the proportional part of the \$300,000, specified in article third of the said treaty, with the accrued interest thereon, shall be paid to the Chickasaw Nation for its sole use and benefit: *And provided further,* The said adopted negroes of the Chickasaw Nation shall not participate in any part of the said proportional part of the said \$300,000, nor be entitled to any benefit from the principal and interest on our invested funds or claims arising therefrom, nor to any part of our common domain, or the profits arising therefrom (except the forty acres per capita provided for in the third article of the treaty of 1866), nor to any privileges or rights not authorized by treaty stipulations: *And provided further,* That the said adopted negroes, upon the approval of this act, shall be subject to the jurisdiction and laws of the Chickasaw Nation, and to trial and imprisonment for offenses against them in every case just as if the said negroes were Chickasaws.

SEC. 2. *And be it further enacted,* That this act shall be in full force and effect from and after its approval by the proper authority of the United States. And all laws, or parts of laws, in conflict with this act, are hereby repealed.

In transmitting this act to Congress, Secretary Delano, under date of February 10, 1873, recommended that such legislation be had by Congress as would extend the time in all respects for the execution of the provisions of the third article of the treaty of 1866 for the term of two years from the 1st of July following. This subject was referred to the Committee on Freedmen's Affairs, February 13, 1873, and ordered to be printed, and there legislation ceased. (See H. R. Ex. Doc. No. 207, Forty-second Congress, third session.)

Subsequently resolutions in relation to the freedmen and their descendants in the Choctaw and Chickasaw Nations were adopted by the legislature of the Chickasaw Nation, which were approved October 18, 1876, authorizing the election by the legislature of four commissioners, one from each county in the nation, to visit the capital of the Choctaw Nation during its next regular session, with instructions to confer with commissioners from the Choctaw Nation, and agree upon some plan whereby the freedmen formerly slaves of the two nations and their descendants should be removed from and kept out of the limits of the Choctaw and Chickasaw country. (See Chickasaw laws, p. 148, edition 1878.) And, again, the legislature of said nation passed an act, approved March 17, 1879, authorizing and directing the governor to appoint five commissioners to meet like commissioners from the Choctaws to confer on the freedmen question, and all questions that might affect the joint interest of the Choctaws and Chickasaws, and report in writing to the governor, said report to be laid before the next meeting of the legislature, and to be approved by them before it should be binding on the Chickasaw people. (See page 6 of Pamphlet Laws, 1878-'81.) While the act of 1873 contemplated the adoption of their colored people into the nation, that opportunity was lost by the failure of Congress at the time to take definite action thereon, and all subsequent action has shown a tendency on the part of the Chickasaws to effect a removal of all freedmen from their country.

Choctaw Nation.—The status of the colored people in the Choctaw Nation was set forth in my annual report of last year in conjunction with the Chickasaws. Since that time, a "memorial to the United States Government in regard to adopting freedmen to be citizens of the Choctaw Nation," adopted by the Choctaw council and approved by the governor November 2, 1880, has been submitted, wherein they declare their willingness to accept their freedmen as citizens, in accordance with the terms of the third article of the treaty of 1866, and request the government to take action thereon, determining whether or not the government will accept or reject said proposition. In this memorial the Choctaws agree to give said freedmen educational facilities in neighborhood schools equal with said Choctaws, and request the government to declare such freedmen as may not elect to become citizens of the nation to be on the same footing with other citizens of the United States resident therein.

Senator Ingalls, on the 23d of February, 1882, introduced a bill (S. 1299) in the Senate, entitled a bill "to enable the Choctaw freedmen to become citizens of the Choctaw Nation," being a ratification and an acceptance of said memorial and proposition, which was read twice and referred to the Committee on Indian Affairs.

The freedmen of these three nations have been a long time deprived of the rights to which they are justly entitled, and have been trying to be heard during all these years, but have been put off under one pretext or another until they should not be required to wait longer on account of a failure on the part of these nations to take more definite action in establishing their status. I cannot, therefore, too strongly urge upon Congress the adoption of such legislation as will afford the freedmen prompt relief and forever settle the difficulties and embarrassments involved in this question.

Creek Nation.—The second article of the Creek treaty of June 14, 1866 (14 Stats., p. 786), stipulated that inasmuch as there were among the Creeks many persons of African descent who had no interest in the soil, thereafter these persons lawfully residing in said Creek country under their laws and usages, or who had been residing and should return within one year from the ratification of the treaty, and their descendants, and such others of the same race as were permitted by the laws of the nation to settle within the limits of the jurisdiction of the Creek Nation as citizens thereof, should have and enjoy all the rights and privileges of native citizens, including an equal interest in the soil and national funds, and the laws should be equally binding upon and give equal protection to all such persons, and all others, of whatsoever race or color, who might be adopted citizens or members of the tribe.

These Indians have respected their treaty stipulations relating to their freedmen, and have granted them every right of other citizens, as declared in the second section of Article 1, Chapter VII, entitled citizenship and non-citizens (Muskogee Laws, p. 57, edition of 1880), which provides that—

All persons who have been at any time adopted by the recognized authorities of the Muskogee Nation, and all persons of African descent who were made citizens by the treaty of June, 1866, between the Creek Nation and the United States, shall hereafter be recognized as citizens of the Muskogee Nation.

Seminole Nation.—The same stipulations respecting the freedmen of the Creek Nation are incorporated in the second article of the Seminole treaty of March 21, 1866 (14 Stats., p. 756), respecting their freedmen, and the same action was taken by the nation in their behalf, no distinction being made in the Seminole Nation between the races.

KANSAS INDIAN INDEBTEDNESS, AS REPRESENTED BY "KAW SCRIP."

By a resolution of the Senate of January 27th last, the Secretary of the Interior was directed to inform the Senate of the amount of indebtedness by the Kansas tribe of Indians to individuals represented by certificates issued by any officer of the government; the status of said indebtedness, whether legal or equitable, or both; what, if any, assets of said tribe the government holds; "and what legislation, if any, is necessary, in order that said indebtedness may be paid, and the financial relations of said tribe to the government, growing out of the sale of its reservation in the State of Kansas, may be speedily and finally settled."

As an early adjustment of this long-standing indebtedness is greatly to be desired, it was hoped that the call of the Senate for information indicated a purpose to provide such needful legislation as would insure such result. However, no measures looking to that end have thus far been introduced, save only that by a clause in the deficiency appropriation act approved August 5, 1882, the sum of \$15,000 was authorized to be paid out of any funds in the Treasury to the credit of said Indians, derived from the sale of their lands, in liquidation of so much of said indebtedness, principal and interest, as is represented by scrip certificates of the first class (Stevens scrip, so called) held by mechanics and others who actually performed the labor in the construction of buildings, &c., for the benefit of said Kansas Indians, under Stevens's contracts, for the payment of which the indebtedness was incurred.

In response to said resolution this office submitted to the department, under date of March 9 last, a brief history of the indebtedness, a statement of the amount of the same, its present status, as well as a statement of the assets of the tribe held by the government.* The total amount of the indebtedness of the tribe, including interest, was shown to be considerably less than the value of the lands and improvements owned by them, as appraised under authority of the act of July 5, 1876, and from the proceeds of the sale of which their debt obligations are to be discharged. It was further stated that the sums of money advanced by the government to the Indians for advertising in connection with the sale of their lands, for their proper care and subsistence, for the purchase of agricultural implements and pay of employes, for the erection of agency buildings, &c., must be refunded to the government from the sale of their lands before any of the obligations of the tribe represented by scrip certificates can be paid in cash. Since the rendition of the report the moneys received from such sales have been more than sufficient to discharge the balance then due the government on account of moneys so advanced, which balance was stated to be (approximately) \$11,475.86. There is now on the books of this office to the credit of said Indians, being the proceeds of the sale of their lands, a balance of \$26,064.90, after paying certificates amounting in the aggregate to \$13,483.28, under the authority of the recent act hereinbefore referred to. (Act approved August 5, 1882.) This amount will be increased as the sales progress, and as it appears that the lands are being disposed of more rapidly than formerly, it is gratifying to know that an early settlement of this entire indebtedness is within the range of possibility.

However, notwithstanding there are funds available to the amount stated, in the present posture of the case none of these certificates can be paid immediately, nor until legislation shall have been had legalizing the entire indebtedness as represented thereby, and for the following

* The report of this office embodying said statements is made the subject matter of Senate Ex. Doc. No. 136, Forty-seventh Congress, first session.

reasons, briefly: There was really no authority of law for the issuance of certificates of the first-class—the so-called Stevens scrip. (There were three classes of scrip issued). The treaty of 1859 (17 Stat., 1111) merely directed a portion of the Kaw lands to be sold, the proceeds thereof to be applied in improving the condition of the Indians in such manner as the Secretary of the Interior might deem proper. Nevertheless the scrip was issued and has ever been regarded as forming a part of the proper liabilities of the government. Furthermore, certificates of class 2 were not only issued prior to the ratification of the treaty authorizing their issuance, but are supposed to have been issued in excess of the authorized amount. So also in the case of certificates of class 3, with the possible exception that no certificates of that class were issued prior to the ratification of the treaty.

That all of this scrip, of the several classes, was issued in the utmost good faith, and with the design of carrying out the beneficial purposes of the treaties of 1859-'62 in a manner that would seem to insure the best results, cannot be questioned. That the long delay in the settlement of this indebtedness, resulting from inability to sell the lands, has worked great hardship to individual holders of this scrip, must also be admitted. For years past appeals have been made for some sort of settlement. These appeals have amounted to entreaties, as the delay has continued; in one instance, at least, the holder offering to surrender all claim to interest (now amounting to considerably more than the principal) on payment of the face value of the scrip certificates held by him.

In the report of this office to which reference has herein been made, it was suggested that if legislation could be had legalizing the entire outstanding indebtedness represented by these scrip certificates, and an appropriation made sufficient to cover such indebtedness, the certificates could be called in, examined, and paid, the government reimbursing itself from the sale of the lands. This was the plan urged by Mr. Haskell of the House of Representatives, and it seemed at the time to be the only sure way to anything like an early adjustment of the matter. In the present aspect of the case, however, it is thought possible that an early settlement of the greater part of the indebtedness may be reached under the provisions of existing law, and without the aid of an appropriation, provided that legislation be had legalizing the same, or directing the payment thereof. It is to be hoped that such legislation may be provided during the coming winter.

NORTHERN CHEYENNES IN INDIAN TERRITORY.

On the 6th of October, 1881, Little Chief and his band, 235 in all, under authority of the department, left the Cheyenne and Arapaho Agency, in the Indian Territory, and proceeded to Pine Ridge Agency, Dakota. On their arrival there it was found that the band numbered 317, eighty-two having joined the party secretly and without authority. There are now remaining at the Cheyenne and Arapaho Agency of these Northern Cheyennes 684, who strongly desire to join their friends and relatives in Dakota.

In my last report attention was called to the promise made Little Chief, that the request of the remainder of the band to be allowed to return north should be laid before Congress. This request they have construed into a positive promise, and for months past have been very persistent in their importunities to return to Dakota. From all the facts that have come to my knowledge during the past year in regard to these Indians I am satisfied that they will never be contented to remain where

they are. The agent alleges that their dissatisfaction prevents them from making any progress, and is the constant source of much annoyance and disturbance among the Indians who recognize that agency as their home. It will, therefore, be to the advantage of both parties and in the interest of peace and harmony to separate them. The Southern Cheyennes will make much more rapid advancement in civilized pursuits, and the Northern Cheyennes who return will be contented and do far better among their kindred and friends at their old homes among the Sioux. I therefore earnestly renew my recommendation that provision be made by Congress to permit them to return north as early next summer as practicable.

THE NEZ PERCÉ INDIANS OF JOSEPH'S BAND.

The question as to the final settlement and permanent location of the Nez Percé Indians who surrendered under Chief Joseph to General Miles, in the year 1877, has been a subject of much concern and annoyance both to the department and the Indians themselves. The facts in connection with their surrender and subsequent location in the Indian Territory, are matters of public notoriety, and have been alluded to in former annual reports. At the time of the surrender it was stated, and the information before this office corroborated the statement, that such cruel and unprovoked murders had been committed by Joseph and his band in Idaho as to create an almost insuperable barrier against their return to their old home, and to banish all expectation of peace or safety for Joseph and his followers on that reservation, or in its vicinity, at least until the resentment awakened by these offenses should be somewhat modified by the lapse of time. With a desire to solve the problem in such a way as to maintain and enforce a proper and due regard for the laws and authority of the government, and at the same time avoid doing any injustice to a brave but misguided captive, this office and the department acquiesced in the various recommendations of the distinguished military officials who had been actively engaged in accomplishing the surrender, and who had also taken a very prominent part in endeavoring to secure an amicable settlement of the difficulties, and consented to the removal of Joseph and his band to the Indian Territory.

By the Indian appropriation act of May 27, 1878 (20 Stat., p. 74), an appropriation was made to enable the Secretary of the Interior to remove these Nez Percés, then held prisoners of war at Fort Leavenworth, Kansas, to a suitable location in the Indian Territory, and for their settlement thereon. On the 21st of July, 1878, these Indians were turned over to Inspector McNeil and Agent Jones, and placed upon the Quapaw Reservation. On the 15th of October, 1878, Commissioner Hayt visited them, and took chiefs Young Joseph and Husescrut (Bald-Head) to the west of the Arkansas River for the purpose of selecting a permanent home for the band. They selected a tract a few miles west of the Ponca Reserve, where the Sha-kaskia empties into Salt Creek, viz, townships 25 and 26 N., ranges 1 and 2 west, containing 90,710.89 acres.

On the 31st of January, 1879, Young Joseph and Yellow Bull, first and second chiefs, acting for the band, made an agreement whereby they proposed to relinquish all claim to their lands in Idaho or elsewhere and settle permanently in the Indian Territory upon four townships of land to be selected and purchased by the government for their use and occupancy, which agreement was submitted to the department February 1, 1879, for ratification by Congress, and was accompanied by a draft of bill for that purpose. The bill did not become a law, yet the Indians

have been located on the four townships above named, and Congress for three years has made annual appropriations for their maintenance and support thereon.

It has been hoped that the advantages of the location selected for this band of Nez Percés in the Indian Territory would be such as to engender in them a spirit of enterprise and emulation, which after a few years would make them comparatively contented with their new home. This hope, however, has not been realized, and although, since the time of their surrender, these people have exhibited a quiet and uncomplaining submission to the inevitable, and have manifested a conscientious desire to obey all laws and regulations provided for their government, yet as each year passes numerous petitions and urgent requests come from them praying to be returned to their old home and relatives. Their quiet and peaceable conduct since the surrender, and their efforts to be law-abiding and self-supporting are commendable, and under the circumstances remarkable.

The larger proportion of the Nez Percé tribe are located on the reservation in Idaho, and as a rule this tribe has been a strict observer of all treaty covenants with the government. They were active in their efforts to subdue the outbreak of Chief Joseph and his band, and in the battle with their kindred some of them were killed and others wounded. Joseph and his band appear to be the only ones of the tribe who have never engaged in hostility against the whites. Not in the least excusing or attempting to palliate the crimes alleged to have been committed by them, it is but fair to say that their warfare was conducted with a noticeable absence of savage barbarity on their part, and that they persistently claim that when they surrendered to General Miles it was with the express stipulation that they should be sent back to Idaho. Whether this alleged stipulation be true or not, it is a fact that their unfortunate location near Fort Leavenworth, when in charge of the military, and the influences of the climate where they are now located in the Indian Territory, have caused much sickness among them; their ranks have been sadly depleted, and it is claimed that if they are much longer compelled to remain in their present situation, the entire band will become virtually extinct.

It is now about five years since the surrender, and a sufficient time has probably elapsed to justify the belief that no concerted effort will be taken to avenge wrongs alleged to have been perpetrated by these people so many years ago. The band now numbers only about 322 souls, and the reservation in Idaho is ample to accommodate them comfortably, in addition to those who are already there, who are substantially self-supporting and who have enough to spare a portion for their less fortunate brethren, and, as I understand, are willing to give them such aid.

The deep-rooted love for the "old home," which is so conspicuous among them, and their longing desire to leave the warm, debilitating climate of the Indian Territory for the more healthy and invigorating air of the Idaho Mountains, can never be eradicated, and any longer delay, with the hope of a final contentment on their part with their present situation, is, in my judgment, futile and unnecessary. In view of all the facts, I am constrained to believe that the remnant of this tribe should be returned to Idaho, if possible, early next spring, and I respectfully suggest that this matter be submitted to Congress at its next session, with a recommendation that an appropriation be made sufficient to meet the necessary expenses of removal thither. But if Congress should decide that the best interests of all concerned will be

best subserved by retaining these Indians where they now are, it will be necessary to have such legislation as will perfect the title to the lands which have been selected for them and upon which they now reside.

PONCAS.

In my last annual report reference was made to the mistake which occurred in the treaty between the United States and the Sioux Indians, concluded April 29, 1868 (15 Stat., 635), by which lands belonging to the Poncas were taken away from them and given to the Sioux. It was stated that an agent was then among the Sioux Indians, parties to the treaty of April 29, 1868, to obtain the ratification of the agreement entered into at Washington, August 20, 1881, by certain chiefs of the Sioux, for the purpose of correcting the mistake in part. Since that time the agreement has been signed by 722 members of the bands located at the Standing Rock Agency; by 416 of those located at the Cheyenne River Agency; by 908 of the Ogallalas, located at Pine Ridge; and by 292 of the Lower Brulés; making a total of 2,338.

The Indians at Rosebud Agency having refused to sign this agreement, the agent was instructed, under date of January 27, 1882, to make a written statement on the back of the agreement that the Indians at that agency refused to sign an agreement to give more than 160 acres to heads of families and 80 acres to single adults, but that they do agree to sign one giving the amount as above. Eleven hundred and sixty-seven of these Indians thereupon signed the following modified agreement:

We, the undersigned Indians of Rosebud Agency, Dakota, refuse to sign this agreement giving 640 acres to heads of families, but we do hereby agree to give 160 acres for the use and occupation of each head of family, and 80 acres to each single male or female over eighteen years of age, and we have as an evidence that we consent to and ratify this amended agreement hereunto subscribed our names this 25th day of March, A. D. 1882.

Three thousand five hundred and five of the Sioux Indians, therefore, have consented to the agreement either as originally prepared or in the modified form.

The Lower Yanktonais, located at Crow Creek Agency, refused to sign the agreement on the ground that they had no interest or right in the lands embraced in the Great Sioux Reservation, and that their rights and interests, if they had any, were in the lands on the east side of the Missouri River. They also claimed that they had never participated in any of the treaties or negotiations in regard to lands on the west side of the Missouri River. The treaty of April 29, 1868, however, purports to be signed by twenty-four chiefs and headmen of the Yanktonnais.

The Santee Sioux have thus far refused to sign the original agreement on the ground that the Northern Indians had signed a modified agreement. The agent at Santee Agency has recently been instructed to endeavor to obtain the signatures of the Santee Sioux to the agreement executed by the Rosebud Indians in case they still refuse to sign the original.

The total Indian population of the Great Sioux and Santee Reservations (including Crow Creek) is estimated at 23,081. Allowing one-fifth of the population to be adult males, it would require the signatures of 3,462 Indians to comply with the requirements of the twelfth article of the treaty of April 29, 1868. A sufficient number, therefore, have signed the agreement giving 160 acres to each head of a family, and 80 acres to each single adult, if it be held that the agreement to give the greater quantity includes the lesser. This matter will form the subject of a special report in time for action at the beginning of the next session of Congress.

BLACKFEET INDIANS IN MONTANA.

Some months ago the agent of the Blackfeet Indians, who is, I believe, a good man, and a faithful agent, made a request that his Indians be allowed to cut some of the pine timber in the mountainous part of the reservation, manufacture it into lumber, and trade the lumber for provisions to prevent starvation; but under the law, as it now exists, this could not be allowed. Then the agent asked permission, which was granted, to solicit contributions among his friends in the East, to prevent suffering among his Indians; and now, while I write, word comes that these Indians are nearly destitute of food, and that there is danger that the cattle herd, which belongs to the government, and which it is desirable should be kept for stock purposes, will be killed by them for food. The appropriation for these Indians for the year gives to each one less than an ounce of beef and less than one ounce and one-half ounce of flour each day. In view of these facts I think I risk nothing in saying that any law that prohibits Indians under such circumstances from using the timber on the reservation, to prevent starvation, is absurd to the last degree. There is appropriated each year for the Indians on the San Carlos Reservation about \$300,000, and yet there is on this reservation coal that if utilized would make an appropriation unnecessary; but under the present laws this cannot be done. Is it not plain that these laws should be changed?

CROW CESSION AND ALLOTMENTS.

Attention was called in the annual report of last year to the agreement made with the Crow Indians in 1880, and its ratification by Congress was urged. Under date of December 14, 1881, the subject was laid before the department, setting forth the terms of the agreement, whereby the Crows proposed to cede 1,552,800 acres of land from the western portion of their domain, and submitting a bill to ratify said agreement, with recommendation that Congress take early action thereon. The agreement, which appears in full on page 253 of this report, was ratified by Congress, and its action approved by the President April 11, 1882. Provision is made in this agreement for the allotment of lands in severalty to the Indians, for the erection of houses, and for the purchase of seeds, farming implements, and stock. An appropriation of \$15,000 was made to pay the expenses of the survey of the lands to be allotted. In compliance with these provisions the General Land Office has been directed to make said survey in the valleys of the Big Horn and Little Big Horn Rivers, and when the survey is completed instructions will be issued to the agent to make allotments of land in severalty, as provided in said agreement.

SALE OF A PART OF THE OMAHA RESERVATION.

In a special report to the department, dated September 18 (ultimo), the attention of the department was called to the recent act (approved August 7, 1882) providing for the sale of a part of the reservation of the Omaha tribe of Indians in the State of Nebraska. It was stated that, in the absence of a specific appropriation to meet the expenses thereof, it was difficult to see how the survey (if a resurvey should be found necessary) and appraisement could be proceeded with; but it was suggested that steps might be taken to obtain the consent of the Indians, as required in sections 1 and 3 of said act, and that the allotments provided for in section 5 might be selected and submitted for

approval, so that no unnecessary delay might be experienced when the proper time should arrive for proceeding with the sale of the lands as authorized. By section 8 of the act the Indians are permitted, if they shall so elect, to select allotments within the tract designated to be sold, and while it is not thought that there are any who desire to make selections there, it might be well to ascertain their intentions in that respect, so that if there be any such they may make their selections and have them approved before the appraisement is begun.

MESCALERO APACHE RESERVATION.

Early in the present year a considerable change was made in the boundaries of the Mescalero Apache Reservation in New Mexico, by which a goodly portion thereof was restored to the public domain from the north and west, while a tract containing an area equal to about five townships was added thereto on the east. This change was made to satisfy the wishes of the white population of the "Nogal Mining District," so called, and by so doing to allay the ill feeling against the Indians which it was not difficult to see was fast taking the place of previously acknowledged friendship for them. It appears that upon the discovery of gold in the Nogal Mountains a large body of miners and prospectors were attracted there, and that in due time what is now known as the "Nogal Mining District" was organized. New veins were discovered, and many locations were made upon lands afterwards discovered to be within the reservation. As was natural, when a knowledge of these facts reached the Indians a spirit of dissatisfaction was manifested, and the miners, fearing that they might lose the results of their enterprise and labor, appealed to the government through the military. Upon a proper presentation of the facts by their agent, the Indians appeared to appreciate the situation, and finally became convinced that it would be to their interest to yield to the fair demands of the miners. Accordingly they decided to interpose no objection to such reduction of the reservations on the north and west as in the judgment of the department might seem expedient, with the understanding, however, that a strip of country should be added to the reservation on the east, which would afford them additional grazing ground.

The existence of certain claims within the reservation alleged to have been acquired prior to its establishment, and upon which the claimants resided, has been a fruitful source of trouble. This was an additional reason for desiring a reduction of the reservation. By the reduction all but two have been placed outside the limits of the reservation, thereby disposing of a much-vexed question. At the request of the department, a survey of the new boundaries of the reservation is to be conducted at once by an officer of the Army, detailed for that purpose by direction of the Secretary of War.

AMOUNT DUE NAVAJO INDIANS.

I deem it my duty to call the attention of Congress to the sum of \$156,651.74, which in my opinion is justly due the Navajos, but which, under the operations of the act of June 20, 1874, was covered back into the Treasury. The following is a brief history of the case: Article 7 of the treaty with the Navajos, dated June 1, 1868 (U. S. Stats., vol. 15, page 667), provides that the head of a family who cultivates the soil—shall be entitled to receive seeds and agricultural implements for the first year, not exceeding in value \$100, and for each succeeding year he shall continue to farm, for a period of two years, he shall be entitled to receive seeds and implements to the value of \$25.

In pursuance of this provision, Congress, in 1869, appropriated for "seeds, farming implements, work-cattle, and other stock, for 1,400 families, in conformity with the seventh article of said treaty, \$140,000," and in 1870 and 1871 the sum of \$35,000 for each year was appropriated for seeds and agricultural implements for 1,400 families, at the rate of \$25 per family, making a total appropriation of \$210,000. From July 1, 1869, to June 30, 1877, the expenditures from that appropriation for the purpose above named were \$53,348.26, leaving an unexpended balance on hand of \$156,651.74. This amount, together with other balances to the credit of the Navajoes; was, by order of the Secretary of the Treasury, carried to the surplus fund, on the 30th of June, 1877, under the operations of an act of Congress approved June 20, 1874. Subsequent to the date of this warrant, the Attorney-General, by opinion dated July 5, 1877, decided that specific amounts appropriated to carry out treaty contracts prior to June 20, 1874, were exempt from the operations of the surplus-fund act of 1874, and under said decision certain amounts belonging to various Indian tribes have been brought back by warrants to the credit of the Indians interested. By letter from this office, under date of April 12, last, you were asked to request the honorable Secretary of the Treasury to issue a warrant for placing to the credit of the Navajoes the unexpended balance of \$156,651.74, which was a specific appropriation made for said Indians under treaty prior to June 20, 1874, and under the decision of the Attorney-General was exempt from the operations of that law. The honorable Secretary of the Treasury, under date of May 10, last, replied that—

Requisitions based upon settled accounts to pay bills for agricultural implements and seeds for the benefit of such of the 1,400 families of Navajoes as have not yet received their proportion under the seventh article of their treaty will be charged against the appropriation "fulfilling treaty with Navajoes, seventh article treaty of June, 1868, contract prior to June 20, 1874."

This virtually recognizes the fact that the amount of \$156,651.74 is due these Indians, and was erroneously covered in the Treasury, and I respectfully recommend that Congress be requested to reappropriate that amount in order that it may be brought on the books of this office and expended for the benefit of the Navajoes. If this sum, which, under the decision of the Attorney-General, is justly due to the Navajoes, was placed to their credit on the books of this office, as above recommended, it would render unnecessary any further appropriation for these Indians for several years.

EASTERN BAND OF CHEROKEES IN NORTH CAROLINA.

Referring to the statement made and views expressed in behalf of these Indians in the annual report of last year, I have to report that the encroachments upon their lands by white claimants continue and this office has not the means at its disposal to effect the needed relief. Congress at its last session, through the sundry civil appropriation act, appropriated \$800 to enable the department to employ an agent for these Indians. Samuel B. Gibson, of Swain County, North Carolina, has been appointed, in accordance with section 3 of the act approved July 27, 1868, and he will be able to look into the status of these claims and to determine upon some line of action to secure the removal of such claimants as are unable to show title.

Respecting the removal of the Cherokees of North Carolina to the Indian Territory, upon the invitation of the principal chief and delegates of the nation West, referred to in my last annual report, I have to state that 41 persons over 12, and 32 persons under 12, removed from Loudon,

Tenn., June 2-17, 1881, at a cost to the government of \$1,281.50; that 16 persons over 12, and 3 persons under 12, removed from Chattanooga, Tenn., September 13-15, 1881, at a cost to the government of \$389.90; and 26 persons over 12, and 21 persons under 12, removed from Chattanooga, Tenn., October 19-22, 1881, at a cost to the government of \$846.20; and that 14 persons over 12, and 8 persons under 12, removed from Cleveland, Tenn., December 5-7, 1881, at a cost to the government of \$412.90, making in all 97 persons over 12 years of age and 64 persons under 12, who removed during 1881, at a cost to the government of \$2,930.50. Applications for aid from the government have since been made from parties desiring to remove West, and recommendation was made February 11, 1882, that Congress be requested to appropriate the sum of \$20,000 for the removal of those who desired to go West, including the sum of \$2,930.50 expended out of the "civilization fund" in the removal of the aforesaid persons. Congress did, through the deficiency appropriation act of August 5, 1882, appropriate the sum of \$2,930.50 "to reimburse what is commonly known as the 'civilization fund' the amount taken therefrom to defray the expenses of the removal of certain North Carolina Cherokee Indians to the Indian Territory during the year eighteen hundred and eighty-one," but failed to make any other appropriation for those desiring removal.

While admitting the claim that some of these Indians have upon the government for the removal and subsistence guaranteed to them by the 8th article of the Cherokee treaty of 1835 (7 Stat., p. 482), it would not be politic to make further use of the "civilization fund," in view of the failure of Congress to make the appropriation asked for in February last.

By the sundry civil appropriation act of August 7, 1882, Congress appropriated the sum of \$800 "to enable the Secretary of the Interior to cause the census to be taken and a new roll to be made of all the Cherokee Indians residing east of the Mississippi River." This work will require a very extended tour through the States of North Carolina, Tennessee, Georgia, and Alabama, if not elsewhere, and involve a careful and thorough investigation into the ancestry of the Indians and their relation to individuals whose names are borne on former rolls of the Cherokee Nation. Mr. Joseph G. Hester, of this city, has been appointed the special agent to perform this duty.

SETTLEMENT OF DIFFERENCES IN THE CHEROKEE NATION.

During the last session of Congress a bill was introduced in the House of Representatives (H. R. No. 3037) to authorize and enable the Eastern Band of Cherokee Indians to institute and prosecute a suit in the Court of Claims against the Cherokee Nation. This bill received the favorable indorsement of this office, from the fact that the issues involved in the claims of the Cherokees east upon the lands and funds of the Cherokees west had been before the department for a long series of years, without any favorable prospect of adjustment, and from the belief that the adjudication should be made by some such competent and final tribunal as the Court of Claims.

Acknowledging the gravity of the issues involved, an item was incorporated by Congress in the sundry civil appropriation act, approved August 7, 1882, as follows:

The Secretary of the Interior shall investigate and report to Congress what, in his opinion, would be an equitable settlement of all matters of dispute between the Eastern Band of Cherokee Indians (including all the Cherokees residing east of the Mississippi River) and the Cherokee tribe or Nation west; also all matters of dispute between other bands or parts of the Cherokee Nation; also all matters between any

of said bands or parts thereof, and the United States, arising from or growing out of treaty stipulations, or the laws of Congress relating thereto; and what sum or sums of money, if any, should, in his opinion, be paid under such settlement; and the sum of two thousand five hundred dollars is hereby appropriated for such investigation.

Under date of August 18, 1882, the Secretary of the Interior appointed Courtland C. Clements, esq., of Richmond, Ind., special agent to investigate all matters of dispute between these bands and parts of bands and the nation west, or the United States, as provided in said item of the sundry civil appropriation act, and he is now engaged in the examination of the records of this office upon the issues involved.

UMATILLA RESERVATION IN OREGON.

Bills have been introduced in the present Congress (S. 434 and H. R. 2579) providing for allotments in severalty to the Indians of the above-named reservation, and for the sale of the remainder thereof after such allotments shall have been made, the funds arising from such sale to be used in establishing the Indians on their several allotments, for the support of an industrial farm and school for the children of said reservation, and for other like beneficial purposes. The general provisions of these bills, being in keeping with the policy steadfastly advocated by this bureau for allotments in severalty to Indians with perfect and permanent title, were recommended to the favorable consideration of Congress in a special report to the department (in response to a call of the Senate Committee on Indian Affairs for information), dated January 19, 1882, and supplemental report of February 1 following.

It appears that a large majority of the Indians occupying said reservation are anxious to take lands in severalty; they have more land than is actually needed for that purpose, and the sale of a part of their reservation, as contemplated, would furnish them the means for a fair start upon their several allotments. I renew my recommendation for the early passage of one or the other of the pending bills, with the amendments proposed in the special office reports above mentioned.

TOWN OF PENDLETON, OREGON.

In my last annual report to the department the question of disposing of a portion of the Umatilla Reservation in Oregon sufficient to meet the growing necessities of the adjacent town of Pendleton was discussed, with the suggestion that Congress be asked to grant needful authority in the premises. By act of August 5 last authority is had for the survey, appraisement and sale (with the consent of the Indians) of so much of said reservation lying and being contiguous to or in the vicinity of the town of Pendleton as may be necessary to allow that town proper and needful growth and extension, not exceeding 640 acres. An inspector of the department has recently visited the Umatilla Reservation and obtained the consent of the Indians to disposal of the tract named in the manner proposed.

MALHEUR RESERVATION.

By Executive order of recent date (September 13, 1882) the greater portion of the Malheur Indian Reservation in the State of Oregon has been restored to the public domain. In my last annual report it was stated to be the purpose of this office to dispose of the lands embraced within said reservation by sale for the benefit of Indians for whose use and occupation it was set apart. Such has been the desire and intention of this bureau ever since it became apparent that the reservation was no longer needed for purposes of Indian occupation; but in response to most urgent and persistent appeals on the part of the people of Ore-

gon for the restoration of these lands to the public domain, in order that they might become subject to settlement under the homestead and pre-emption laws, this office was led to so far modify former recommendations as to reduce the quantity to be retained and sold for the benefit of the Indians to considerably less than one-quarter of the whole reservation, and to recommend the reduction of the reservation accordingly. It was upon this recommendation, concurred in by the department, that the order for the reduction was made.

The tract still remaining in a state of reservation, being the north-eastern portion of the late reservation, embraces all the agency buildings and improvements of whatsoever character. The order also reserves out of the lands restored to the public domain a tract of 320 acres, upon which are situated the buildings and improvements belonging to the old Camp Harney military reserve. It is the intention of the office to ask for such legislation as will enable the department to sell the diminished reserve for the benefit of the Indians aforesaid.

I have the honor to be, sir, very respectfully, your obedient servant,
H. PRICE,

Commissioner.

The Hon. SECRETARY OF THE INTERIOR.

REPORT OF THE COMMISSIONER OF RAILROADS.

DEPARTMENT OF THE INTERIOR,
OFFICE COMMISSIONER OF RAILROADS,
Washington, D. C., November 1, 1882.

SIR: In compliance with the statutory requirements of the act creating this bureau (20 U. S. Statutes, 169, sec. 3), I have the honor to submit the following report in regard to the bureau and its operations, and of the condition of the property, business, and accounts of the several railroad companies which have complied with the request of this office under the law, and to which, or their predecessors, the United States have granted, and which have directly or indirectly received, any subsidy in bonds or grant of public lands, and the geographical location of whose railroads is in whole or part west, north or south of the Missouri River.

ACCOUNTS.

Able and expert accountants of this office have investigated and reported upon the business, financial condition, and proportion of "net earnings" due the government for the past year. The results are shown in detail under the proper headings hereafter. Free access has been accorded to the books and accounts of the several subsidized roads, whenever requested. Detailed statements of the earnings and expenses, financial condition, and physical characteristics of the various land-grant railroads have been compiled from examination and returns made, and are submitted herewith. As a rule, the accounts of the roads are kept in a thoroughly comprehensive and business-like manner.

Reports to this office are not always made as promptly as required, but the desire is expressed by the different companies to fully and promptly comply with the lawful demands of the bureau.

INSPECTION OF PROPERTY.

Properly authorized members of this bureau, in conformity with the law, have made extensive trips this year to inspect the vast properties

of the numerous bonded and land grant railroads coming within its jurisdiction. A decidedly healthy improvement in construction, operation, and business has been manifest. Steel rails are being substituted for iron as rapidly as practicable, more ties to the mile and of superior quality, better fastenings and good ballast are being used. Bridges and buildings are not only being repaired and renewed, but generally improved or replaced by better ones. Embankments and cuts are being widened, grades and curvatures reduced, and general improvements made as far as practicable. The best pattern, as to service, of locomotives is being used, and improved passenger and freight cars purchased or built. Where the financial condition of the companies admit of it, new machinery of the most improved kind is being obtained; shops, round houses, station buildings, section and tool houses are being constructed of a much improved and superior character.

The unprecedented construction of railroads during the present year deserves very thoughtful consideration. The Pacific companies are rapidly extending their lines, some through sections of country which are and will remain for years to come of little value, but which extensions are for the most part necessary to secure the trade of rapidly developing sections, and to make through connections with important distributing points which will ultimately be of great value to the main lines.

List of roads inspected and reported upon:

	Miles.
Central Pacific system:	
Central Pacific, main line:	
San Francisco to Ogden via Benicia	835
Sacramento to Redding, Oregon Division	170
Sacramento to San Francisco via Niles, &c.....	187
Southern Pacific of California, Arizona, and New Mexico.....	1,256
Total	2,478
Union Pacific system:	
Union Division, main line	1,033
Cheyenne Division	105
Colorado Division	189
Denver and South Park Division	225
Kansas Division, main line	639
Kansas Division, McPherson Branch.....	36
	2,227
Northern Pacific Railroad:	
Western Division to "the front"	602
Eastern Division to "the front"	1,029
	1,631
Southern Pacific, Northern Division:	
Main line and branches	178
Missouri Pacific system:	
Missouri Pacific main line, Saint Louis to Kansas City.....	283
Missouri Pacific main line, Atchison to Omaha.....	166
Kansas and Texas Division (Missouri, Kansas & Texas Railway), Sedalia to Vinita	211
Saint Louis, Iron Mountain and Southern Division, Saint Louis to Texarkana	490
Texas and Pacific Railway, Texarkana to El Paso.....	869
	2,019
Saint Louis and San Francisco Railway:	
Vinita, Ind. Terr., to Saint Louis, Mo.....	364

Atlantic and Pacific:	
Albuquerque to Cañon Diablo, N. Mex.....	312
	<hr/>
Oregon and California:	
Portland to Roseburg and the "front".....	212
Albany to Portland via Corvallis.....	107
	<hr/>
	319
	<hr/>
Central Branch Union Pacific:	
Atchison to Greenleaf.....	114
	<hr/>
Sioux City and Pacific:	
Freemont to Missouri Valley Junction, and thence to Sioux City, Iowa, all owned.....	107
	<hr/>
Saint Paul and Duluth:	
Duluth to Saint Paul.....	155
	<hr/>

CONDITION OF TRANSPORTATION ACCOUNTS.

Appendix 7 of this report shows in detail the condition of the transportation accounts of the indebted Pacific Railroads to the government to be as follows:

Transportation services performed for the United States to December 31, 1881, as shown by companies' books.....	\$25,303,703 68
Less one-half of charges for transportation prior to 1873, paid to the companies.....	\$1,295,187 98
[Act of March 3, 1873, requires <i>all</i> transportation performed for the government to be withheld. Prior to that time one-half of amount was paid to the subsidized railroads.]	
One-half retained and applied to the credit of the companies, prior to 1873.....	4,204,471 03
	<hr/>
Transportation services performed and settled for prior to the act of 1873.....	8,499,659 01
	<hr/>
Remainder applicable to "repayment of interest," to the payment of "5 per cent. of net earnings," and to the payment of requirement for U. S. "sinking fund".....	16,804,044 67
	<hr/>

APPLICATION.

Included in this remainder of \$16,804,044.67 is transportation on non-aided lines operated by the subsidy roads, amounting to.....	\$2,718,363 76
To which add one-half of remaining transportation on subsidy portions.....	7,042,840 45
	<hr/>
Total to bond and interest account.....	9,761,204 21
One-half transportation (\$14,085,680.91) on subsidized portions, to sinking fund account.....	7,042,840 46
	<hr/>
Total.....	16,804,044 67

The total cash payments to December 31, 1881, which have been required from the companies, in addition to the retention of the entire compensation for services, are as follows:

Central Pacific.....	\$1,282,264 44
Central Branch Union Pacific.....	1,953 77
Union Pacific.....	\$1,840,911 76
Less balance due the Kansas Pacific for excess of transportation over and above the annual requirement for 5 per cent. of its net earnings to December 31, 1881.....	930,074 73
	<hr/>
	901,837 03
	<hr/>
Total.....	2,186,055 24

The Central Pacific Railroad Company has deposited the above amount of \$1,282,264.44 in the Treasury, but the balance of \$901,837.03 due from the Union Pacific which owns and operates the Kansas Pacific Railway as one of its divisions has not been finally adjusted, owing to items for new construction and new equipment being in dispute, and which is hereafter more fully discussed.

PASSENGER AND FREIGHT MILEAGE AND RATES.

Frequent inquiry has been made as to the relative business and rate of compensation for freight and passengers on the Pacific roads, as compared with roads not within the jurisdiction of this office.

With a view to intelligent comparison, I have had compiled a table showing the mileage and rate of compensation for the years 1878, 1879, 1880, and 1881 of twelve of the leading representative roads of the United States, which is herewith submitted.

The low average mileage of the Central Pacific is by reason of about four-fifths of the passenger traffic being what is known as "Ferry passengers," the haul of which is about 6 miles, thus proportionately reducing the general or average mileage.

Miles traveled per passenger, with average rate per mile.

Names of roads.	1878.		1879.		1880.		1881.	
	Per		Per		Per		Per	
	pass.	Rate.	pass.	Rate.	pass.	Rate.	pass.	Rate.
	Miles.	Cents.	Miles.	Cents.	Miles.	Cents.	Miles.	Cents.
Union Pacific.....	511	3.27	484	3.20	.....	.....	166	3.34
Central Pacific.....	26	2.96	27	2.72	29	3.04	30	3.07
Louisville and Nashville.....	58	3.37	57	3.45	54	3.51	32	3.40
Atchison, Topeka and Santa F6.....	147	3.09	140	3.06	146	3.35	.....	.....
Chicago and Northwestern.....	35	2.80	35	2.80	35	2.70	37	2.53
Chicago, Milwaukee and Saint Paul.....	46	3.09	50	2.93	52	2.84	46	2.86
Chicago, Rock Island and Pacific.....	40	2.97	42	2.97	44	2.80	45	2.67
Lake Shore and Michigan Southern.....	49	2.20	50	2.22	53	2.14	56	1.99
New York, Lake Erie and Western.....	29	2.19	35	2.09	33	2.04	33	2.02
New York Central and Hudson River.....	34	2.01	36	2.02	40	1.99	42	1.86
Pennsylvania.....	27	2.36	26	2.28	26	2.25	25	2.18
Boston and Albany.....	19	2.24	19	2.14	19	2.08	20	1.97

Number of miles per ton of freight, with average rate per ton per mile.

Names of roads.	1878.		1879.		1880.		1881.	
	Per ton.	Cents.	Per ton.	Cents.	Per ton.	Cents.	Per ton.	Cents.
	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.	Miles.	Rate.
Union Pacific.....	434	2.27	439	1.99	.....	.....	379	1.99
Central Pacific.....	219	2.75	211	2.78	264	2.34	266	2.14
Louisville and Nashville.....	84	1.66	85	1.53	149	1.61	96	1.55
Atchison, Topeka and Santa F6.....	218	2.12	242	2.51	280	2.43	.....	.....
Chicago and Northwestern.....	160	1.72	160	1.56	155	1.49	147	1.47
Chicago, Milwaukee and Saint Paul.....	165	1.80	197	1.72	155	1.76	163	1.70
Chicago, Rock Island and Pacific.....	209	1.56	228	1.43	231	1.21	211	1.22
Lake Shore and Michigan Southern.....	220	.73	230	.64	222	.75	221	.62
New York, Lake Erie and Western.....	190	.97	191	.78	198	.84	179	.81
New York Central and Hudson River.....	265	.93	255	.81	240	.87	228	.78
Pennsylvania.....	158	.92	156	.80	150	.88	146	.80
Boston and Albany.....	125	1.13	119	1.10	113	1.21	110	1.04

In this connection I have also had prepared a table of the earnings, mileage, and rates of compensation for passenger and freight traffic over the Union and Central Pacific roads from the first year of their operation to the latest yearly returns, as complete as the data accessible would admit. They show a steady increase in mileage and volume of business, and decrease in rates of compensation.

Central Pacific Railroad.

Year.	No. of miles.	Passengers.			Average per passenger per mile.	Freight.			Average per ton per mile.	Per passenger.	Per ton.
		Number.	Carried one mile.	Gross receipts.		Gross tons.	Carried one mile.	Gross receipts.			
					Cents.				Cents.	Miles.	Miles.
1870	992.67			3,581,506.18	3.81	412,890		3,292,479.25	3.26		269
1871	1,054.44			3,445,229.29	3.26	388,114	190,510,000	4,065,441.58	3.60		264
1872	1,176.41		106,120,000	4,063,210.00	3.41	941,309	238,792,000	7,492,591.92	3.60		264
1873	1,261.43		129,488,000	4,118,111.42	3.27	1,029,000	250,295,000	7,930,890.92	3.55		272
1874	1,266.97		134,318,000	4,715,061.94	3.27	1,029,000	250,295,000	8,988,290.58	3.14		283
1875	1,349.28		163,396,000	5,069,469.32	3.21	1,284,000	368,490,000	10,735,618.34	2.96	30	283
1876	1,446.34	5,772,659	173,669,000	5,350,364.43	3.62	1,415,000	368,541,000	10,695,349.87	2.78	39	257
1877	1,905.96	6,275,079	181,715,000	5,483,764.35	3.95	1,787,506	392,281,719	10,892,256.49	2.75	36	213
1878	2,118.74	6,978,188	178,732,225	5,294,913.07	3.74	1,894,345	392,930,000	10,994,571.29	2.78	37	211
1879	2,225.25	6,893,079	180,779,711	4,919,234.63	3.61	2,114,579	505,033,568	13,248,557.59	2.34	39	264
1880	2,492.26	6,707,345	191,415,490	5,819,794.35	3.67	2,737,193	733,285,889	15,842,139.91	2.14	30	266
1881	2,707.00	7,622,386	218,117,560	6,632,828.27							

Union Pacific Railroad.

Year.	Number of miles.	Passengers.			Average per passenger per mile.	Freight.			Average per ton per mile.	Per passenger.	Per ton.
		Number.	Carried one mile.	Gross receipts.		Number of tons.	Carried one mile.	Gross receipts.			
					Cents.				Cents.	Miles.	Miles.
1870	68	142,673	74,917,235	23,818,657.55	3.40		71,729,103	84,678,311.71	4.76		
1871	63	139,301	73,994,937	3,125,310.56	4.22		134,368,887	4,029,488.91	2.50	508	
1872	63	140,689	80,093,871	3,270,312.41	4.18		178,186,512	4,708,119.07	2.67	487	
1873	63	171,004	95,799,654	3,857,234.48	3.76	487,444	202,288,877	5,600,967.68	2.47	541	458
1874	65	188,877	105,128,265	3,862,833.35	3.76	487,444	202,288,877	5,600,967.68	2.47	541	458
1875	65	209,851	132,301,243	4,306,014.09	3.86	501,419	299,114,959	6,631,312.00	2.40	536	544
1876	68	292,648	138,682,234	4,397,662.00	3.86	699,947	393,062,076	7,304,125.00	2.30	632	464
1877	65	188,601	167,885,371	3,500,756.00	3.44	710,112	334,644,870	7,597,681.00	2.27	581	467
1878	65	188,601	167,885,371	3,500,756.00	3.27	844,019	398,644,680	8,296,878.00	2.27	541	434
1879	65	297,029	190,154,148	3,297,310.00	3.26	992,886	436,034,149	8,692,114.00	1.99	484	429
1880	77			5,165,125.00							
1881	80	897,141	133,570,065	5,131,571.39	3.34	2,065,030	783,231,684	15,530,328.00	1.99	166	379

CONDITION OF THE BOND AND INTEREST ACCOUNTS.

The following statement of the condition of the accounts with the several Pacific Railroad companies, so far as regards moneys which have been actually covered in to their credit, is obtained from the public debt statement for June 30, 1882. No account is taken of moneys in the sinking funds held by the Treasurer of the United States, or of the compensation for services performed by them for the government at that time remaining unsettled by the accounting officers, and under the heading "Interest paid by the United States" the semi-annual payment due July 1, 1882, is included:

Name of railway.	Principal outstanding.	Interest accrued and not yet paid.	Interest paid by the United States.	Interest repaid by companies.		Balance of interest paid by the United States.
				By transportation services.	By cash payments 5 per cent. of net earnings.	
Central Pacific.....	\$25,885,120 00	\$776,553 60	\$21,899,448 07	\$3,812,411 95	\$648,271 96	\$17,438,764 16
Kansas Pacific.....	6,303,009 00	189,090 00	5,751,153 09	2,725,458 33		3,025,694 76
Union Pacific.....	27,236,512 00	817,095 36	23,323,659 69	8,453,537 60		14,870,122 09
Central Branch U. P.	1,600,000 00	48,000 00	1,453,808 26	124,639 85	6,926 91	1,322,241 50
Western Pacific.....	1,970,560 00	59,116 80	1,550,015 34	9,367 00		1,540,648 34
Sioux City and Pacific	1,628,320 00	46,849 60	1,306,598 29	95,278 57		1,271,319 72
Totals	64,623,512 00	1,938,705 36	55,344,682 74	15,220,693 30	655,198 87	39,468,790 57

Appendix 7 shows the total indebtedness of the several subsidized Pacific Railroads to the United States on June 30, 1882, to be as follows:

TOTAL DEBT.

Union Pacific:		
Principal	\$33,539,512 00	
Accrued interest	30,080,998 14	\$63,620,510 14
Central Pacific:		
Principal	27,855,680 00	
Accrued interest	24,285,133 81	52,140,813 81
Sioux City and Pacific:		
Principal	1,628,320 00	
Accrued interest	1,415,447 89	3,043,767 89
Central Branch Union Pacific:		
Principal	1,600,000 00	
Accrued interest	1,501,808 26	3,101,808 26
Total		121,906,900 10

TOTAL CREDIT.

Transportation services performed and money paid into the Treasury:		
Union Pacific	12,360,603 35	
Central Pacific	6,004,665 17	
Sioux City and Pacific	95,278 57	
Central Branch Union Pacific	131,566 76	
Total	18,592,113 85	
Balance in favor of the United States, but not due until maturity of the principal, 1895-99		103,314,786 25

CONDITION OF THE SINKING-FUND ACCOUNTS.

The recommendation is renewed that section 4 of the act of May 7, 1878, be so amended as to embrace the subsidy portion of the Kansas Division of the Union Pacific Railway, the Central Branch Union Pacific Railroad, and the Sioux City and Pacific Railroad within the operations of said act requiring the establishment of sinking funds and the payment of "twenty-five per centum of net earnings." The annual requirement as to the Kansas Division should be a sum not less than \$300,000, and as to the two other roads, it is believed that \$60,000 each would not be an unreasonable requirement.

Appendix 8 of this report shows in detail the condition of the sinking funds of the Union and Central Pacific Companies, respectively, held by the Treasurer of the United States under the act of Congress approved May 7, 1878, from which it will be seen that on June 30, 1882, these funds amounted to \$2,716,221.68, the Central Pacific having to its credit \$1,534,614.26, and the Union Pacific, \$1,181,607.42.

Investments have been made by the Secretary of the Treasury as follows:

Character of bonds.	Union Pacific.	Central Pacific.	Total.
Funded loan of 1881, 5 per cent	\$256,450 00	\$194,900 00	\$451,350 00
Funded loan of 1867, 4 per cent	32,650 00	199,100 00	231,750 00
Currency sixes, 6 per cent	361,000 00	444,000 00	805,000 00
Principal	650,100 00	838,000 00	1,488,100 00
Premium paid	124,065 43	168,727 75	292,793 18
Total cost	774,165 43	1,006,727 75	1,780,893 18

The last investment was made April 6, 1881, at which time a premium as high as 35 per centum was paid, but repeated protests have been made by the companies against the heavy cost of these investments.

On June 30, 1882, the amounts remaining in the Treasury *uninvested* were as follows:

Credit of the Central Pacific	\$527,886 53
Credit of the Union Pacific	407,441 99
Total	935,328 52

on which the above companies are receiving no interest whatever.

The act of 1878, section 3, requires that the "sinking fund *shall be* invested by the Secretary of the Treasury in bonds of the United States," and directs that he shall prefer the 5 per cent. bonds. It evidently was not foreseen that the 6, 5, 4½, and 4 per cent. bonds might be called in for payment and converted or extended at 3½, or even 3 per cent.; nor was it foreseen that the premium would rise to more than one third of the entire fund. The last investment was made April 6, 1881, at a premium as high as 35 per cent., and on June 30, last, there remained uninvested \$935,328.52, which amount has since been largely increased. The fund has evidently not accomplished the result anticipated and, since April, 1881, may be regarded as having practically failed for want of suitable investment.

The Supreme Court, in the United States *v.* the Union Pacific Railroad Company (91 U. S. R., 72) has held that the companies "are not

required to pay the interest before the maturity of the principal of the bonds."

The fund, therefore, thus paid into the Treasury is not applied as in ordinary cases, first to the extinguishment of interest, but is credited to the companies respectively under the provisions of the act of 1878—one-half of the amount of transportation retained and 5 per cent. of the net earnings to the bond and interest account and the remainder of the 25 per cent. of net earnings to the sinking fund—the difference being that that which is credited on the bond and interest account bears no interest, and that which is invested in the sinking fund earns for the company the interest of its investment until the maturity of the bonds, when the whole accumulated fund will be applied toward the payment of the debt. The government has thus a direct interest in seeing that the fund be made fully productive.

In view of the fact that these companies are being charged with interest on their subsidy bonds at the rate of 6 per centum per annum, that the investments made by the Secretary of the Treasury yield only about $3\frac{1}{2}$ per centum per annum, and at maturity of the bonds the large premiums paid will be entirely lost to the companies, and that a sum now much exceeding \$1,000,000, and constantly increasing, remains uninvested by reason of the limitations of the act—in simple justice to them and in the interest of the government, I deem it my duty to recommend that section 3 of the act of May 7, 1878, be so amended as to authorize the Secretary of the Treasury to invest the sinking funds in the first mortgage bonds of the companies or such bonds as have been issued to them by the United States, or in other good and sufficient securities, and to convert the bonds now held by the Treasurer of the United States in said sinking funds, into money at the market rates, and reinvest the same in like securities.

As many doubts have been expressed as to the ability of the companies to meet their indebtedness at maturity, and as to the efficiency of the provisions for a sinking fund, I deem it proper to suggest whether it may not be practicable and highly desirable, with the consent of the companies, to change the form of their indebtedness from a running book account into a settlement and actual delivery of interest-bearing bonds for the amount found to be due on a convenient day, say July 1, 1883, at which time one-half of the interest will have been paid by the United States. Let the ascertained amount be divided into, say, one hundred semi-annual installments, each to be represented by a redemption bond, one payable each six months, together with interest upon the whole unpaid remainder of the debt, the lien to remain as it is.

To aid reflection upon this suggestion, I desire to submit some considerations which bear upon it.

The proportion of "net earnings" required to be paid, under the act of May 7, 1878, is probably as large a proportion of the income of the roads as due regard to their proper maintenance and the interests of the public will permit. It is as well guarded as perhaps any act could be, yet its practical enforcement is not without difficulty. Not only is the constitutionality of the act regarded by the companies as still open, but questions of book-keeping, of expenses, of betterments, of new construction, of aided and non-aided portions of the road, of through and local traffic and of diverted traffic have all entered into the ascertainment of what are "the whole net earnings of the said railroad company as ascertained and defined as hereinbefore provided."

Again, the act of March 3, 1873, section 2, directs the Secretary of the Treasury "to withhold all payments to any railroad company and its assigns on account of freights or transportation over their respective roads, of any kind, to the amount of payments made by the United States, for interest upon bonds of the United States issued to any such company, and which shall not have been reimbursed, together with five per cent. of net earnings due and unapplied as provided by law." But the same section authorizes any such company to bring suit in the Court of Claims to recover the price of such freight and transportation, and directs the issue to be determined upon the merits of the law and facts, with right of appeal to the Supreme Court.

The several laws touching the security of the advances made by the government in aid of the roads have been fruitful of litigation.

In *United States v. Kansas Pacific Railway Company* (99 U. S. R. 455) it was decided that the bonds issued to that company were a lien only on that portion of the company's road in respect to which they were issued, namely, 394 miles, and that only such part of the annual net earnings of the road as was due to those miles is subject to the payment of the 5 per cent. The same construction has been adopted in other cases, and has been extended to exclude from the operations of the act "net earnings" earned upon non-aided roads or parts of roads operated by the companies.

What are "net earnings" under the sinking-fund act has been contested. The Union Pacific Company has declined to settle on the basis on which this office insists.

The controversy involves items for new construction and equipment for the three and one-half years ending December 31, 1881, to the amount of \$2,381,439.82, 25 per cent of which is claimed to be due the government and has been included in the payments demanded from the company. The status of the question is as follows:

In *United States v. Union Pacific Railroad Company* (99 U. S. R. 402) it was held that "net earnings within the meaning of the law are ascertained by deducting from the gross earnings all the ordinary expenses of organization and of operating the road, and expenditures made *bona fide* in improvements, and paid out of earnings, and not by the issue of bonds or stocks.

In *United States v. Kansas Pacific Railway Company* (99 U. S. R. 455) the court adheres to the ruling in *United States v. Union Pacific Railroad Company* (*supra*, p. 402) as to the principle which should govern in determining the amount of "net earnings," and specifically rules that in ascertaining net earnings, there should be deducted from gross receipts, provided they were actually paid out of the earnings of the road and not raised by bond or stock, the equipment account, or replacing and rebuilding rolling stock, machinery, &c., the amounts paid for depot grounds and the expenses of the same, and the construction-account or improvements and additions to the track, &c.

These cases were instituted in the Court of Claims in 1877 (13 C. of C. 401), and were decided, upon appeals, by the Supreme Court at the October term, 1878. Although decided upon the statutes prior to the act of May 7, 1878, the court in the Union Pacific case (p. 427) refer to that act, but did not pass upon its effect, in ascertaining "net earnings" as therein provided.

The first section of this act in terms provides "that the net earnings mentioned in the act of 1862, of said railroad companies respectively, shall be ascertained by deducting from the gross amount of their earnings respectively the necessary expenses actually paid within the year in

operating the same and keeping the same in a state of repair, and also the sum paid by them respectively within the year in discharge of interest on their first mortgage bonds whose lien has priority on the lien of the United States."

This statute has not received judicial construction as to the method it prescribes of ascertaining "net earnings." Under these circumstances, this office has insisted that expenditures for *new construction and new equipment* are not "*necessary expenses actually paid within the year in operating the same and keeping the same in a state of repair*," and has declined to settle upon any basis which deducts such items from the gross receipts, in ascertaining net earnings.

The Central Pacific, reserving its rights, whatever they may be under the law, has paid without prejudice, 25 per cent. of their net earnings as ascertained without such deduction.

The Union Pacific, insisting upon their right to deduct such items, have declined to pay the balance claimed to be due from them, viz: \$901,837.03, unless they are allowed to deduct from the gross receipts the sum of \$2,381,439.82 for new construction and equipment for the three and one-half years heretofore mentioned, the allowance of which would reduce the amount due under the act to \$306,477.07.

In accordance with the grounds taken by the company, a check for the balance, shown by their statement to be due to the United States on December 31, 1880, amounting to \$69,358.83, was deposited in the subtreasury at Boston, Mass., on July 26, 1881. This office felt warranted, from its construction of the act of May 7, 1878, in advising the Treasury Department not to accept this amount as payment in full of all demands to December 31, 1880, in consequence of which the amount has not been covered into the Treasury, and no further payment has been made or tendered by the company. The question remains open, but it has been agreed to request the Secretary of the Interior to submit the matter to the Attorney-General for his opinion, before whom it will be fully presented as soon as practicable.

The constitutionality of the act of May 7, 1878, was contested by both companies upon grounds of legislative power to demand from the companies any larger annual payment than that required by the charter acts of 1862 and 1864. The act was sustained by a divided court, four of the justices, by whom the case was heard, holding the act to be within the legislative power, and three joining in a dissenting opinion. (Sinking fund cases, 99 U. S. R., 700.)

Should the present sinking-fund method be continued, we may venture upon an approximation of its results as follows:

CENTRAL PACIFIC RAILROAD.

Principal sum of bonds advanced	\$27,855,680 00
Thirty years' interest, at 6 per cent	50,140,224 00
Total	77,995,904 00
Deduct transportation, &c., approximately, in round numbers, first fifteen years	\$6,000,000
Deduct transportation, &c., approximately, in round numbers, last fifteen years, at present rates	13,500,000
By accumulation of sinking fund for the next fifteen years, estimated at \$500,000 per annum, together with amount already in sinking fund, at 3 per cent. per annum	12,500,000
	32,000,000 00
Balance due United States at maturity of bonds	45,995,904 00

UNION PACIFIC RAILWAY.

Principal of bonds advanced	\$27,236,512 00
Thirty years' interest, at 6 per cent	49,025,721 60
Total	76,262,233 60
Deduct transportation, &c., approximately, in round numbers, for first fifteen years	\$12,000,000
Deduct transportation, &c., approximately, in round numbers, for last fifteen years, at the present rate	16,500,000
By accumulation of sinking fund for the next fifteen years, estimated at \$900,000 per annum, together with amount already in sinking fund, at 3 per cent. per annum	22,500,000
	51,000,000 00
Balance due United States at maturity of bonds	25,262,233 60

It is manifest that when the bonds mature, at the close of the present century, the present sinking fund will not be sufficient to meet them, and if left to be dealt with then as a mere book account, with the risk of possible diminution of income from the rapidly increasing competition which they must surely encounter, adjustment may then be more difficult and embarrassing than now.

The balance unpaid at maturity will be, as nearly as can now be estimated, from the Central Pacific, say, \$46,000,000, and from the Union Pacific, say, \$25,000,000: an aggregate of \$71,000,000.

If the debt were extended for fifty years, even at present government interest of 3 per cent. per annum, it would require annual payments from the Central Company at first of about \$2,200,000, running down at the end to about \$947,000, and from the Union Company at first about \$1,250,000, running down to about \$515,000.

These amounts are approximations only and would vary somewhat upon close calculation of the value of the debt at any given time and upon proper commutation of the interest.

It is respectfully submitted that it is worthy of careful consideration whether it would not be wisest and best for Congress now to commute the present mode of payment into one of fixed amounts not dependent upon the fluctuations of net earnings or the contingencies of competition, which might cause net earnings to disappear.

The Union Pacific and Central Pacific roads and their connections are much the most important railroads with which the government has to do. It is of the highest importance to devise the best method of securing to the government the certain reimbursement of its advances, with due regard to the rights and interests of the company, the government, and the people so largely dependent upon their proper maintenance. In this connection, the original purposes of the government in aiding their construction, and which are of no less importance now than then, should have due weight.

The necessities under which they originated, and which are so ably expressed by Justice Davis in delivering the opinion of the court in *United States vs. Union Pacific Railroad* (91 U. S. R., 79), may be recalled with profit. He says:

Many of the provisions in the original act of 1862 are out of the usual course of legislative action concerning grants to railroads, and cannot be properly construed without reference to the circumstances which existed when it was passed. The war of the rebellion was in progress, and owing to complications with England, the country had become alarmed by the reports of our Pacific possessions.

The enterprise was viewed as a national undertaking for a national purpose, and the public mind was directed to the end in view rather than to the particular means for securing it. Although the road was a military necessity, there were other reasons

active at the time in producing an opinion for its completion besides the protection of an exposed frontier; there was a vast unpeopled territory lying between the Missouri and Sacramento Rivers which was practically worthless without the facilities afforded by a railroad for the transportation of persons and property. With its construction the agricultural and mineral resources of this territory could be developed, settlements made where settlements were possible, and thereby the wealth and power of the United States largely increased; and there was also the pressing want, in time of peace even, of an improved and cheaper method for the transportation of the mails and of supplies for the Army and the Indians.

It was in presence of these facts that Congress undertook to deal with the subject of this railroad. The difficulties in the way of building it were great and by many intelligent persons considered insurmountable.

The scheme for building a railroad two thousand miles in length, across mountains, over deserts, and through a country inhabited by Indians, jealous of intrusion upon their rights, was universally regarded at the time as a bold and hazardous undertaking. It is nothing to the purpose that the apprehended difficulties in a great measure disappeared after trial, and that the road was constructed at less cost of time and money than had been considered possible. No argument can be drawn from the wisdom that comes after the fact.

The project of building the road was not conceived for private ends, and the prevalent opinion was that it could not be worked out by private capital alone. It was a national work, originating in national necessities, and requiring national assistance.

The primary object of the government was to advance its own interests, and it endeavored to engage individual co-operation as a means to an end—the securing a road which could be used for its own purposes.

The purposes of Congress in granting the liberal aid extended to these companies, so forcibly expressed by Justice Davis, were held to be important elements in arriving at the true construction of their charters, and are not now to be overlooked in considering their present relations to the government. All these purposes have been much more than realized, and it has been frequently and officially stated that the actual saving, year by year, to the government greatly exceeds the whole annual interest paid.

But whatever weight these considerations should have in guiding the discretion of Congress, and however much the government and the country are indebted, as they are, to the vigor and enterprise of the men by whose energy, skill, and perseverance this great national and pioneer work was consummated, this office can take no other cognizance of their affairs than in the simple light of debtor and creditor. And it is in this light only, and with a view to devise the best possible security for the advances made by the government, that I have ventured to make the suggestions:

First. That if the sinking fund is to be continued, the discretion of the Secretary of the Treasury should be enlarged as to the investment of the fund.

Second. That Congress consider the practicability of commuting the present book-account indebtedness for securities having the same lien and of fixed amount and payable at fixed periods.

RAILROAD RATES.

The adjustment of railroad rates is one of the most difficult and delicate questions of modern times, and it is specially complicated in the United States, where every trunk line runs through several States, each independent within its own jurisdiction and jealous of all interference by the general government. The enormous extent of this interest and the rapidity of its growth, both in the increase of mileage and tonnage, demands that its relations to the public shall be under some judicious legal control. What it shall be and to what extent, are questions upon which the most experienced experts differ, and as to which there is much popular misapprehension.

It is estimated by Mr. Henry V. Poor that there are now in the United States not less than 104,813 miles of railroad, which, at the low estimate of \$25,000 per mile, has cost over \$2,600,000,000. They have transported within the last year 350,000,000 tons, of an estimated value of \$12,000,000,000. Their gross receipts were \$725,325,119. They paid for wages and material \$449,535,071; for interest on funded debts, \$128,887,002; for dividends, \$33,344,200. They employed in operating the roads 1,200,000 persons, besides 400,000 in construction, or a total of 1,600,000 employes, or about one thirty-second part of our population, estimated at 53,200,000.

Interests so vast and so necessarily and vitally bound up in the prosperity of the people, can only be dealt with with the utmost caution and upon the fullest information.

As mere mechanical devices, railroads and their equipments may be regarded as well perfected, but in their relations to business they are still in their infancy, passing through formative discipline and experiment, and slowly but surely approaching a solution of the difficult questions which surround them.

Rates and discriminations are not entirely within the arbitrary determination of railroad companies. They are subject to competitions which they cannot control, upon the ocean, upon the lakes, and upon the rivers. There is scarcely a center of business in the country, affording any considerable freights, where they are not fiercely contended for upon all available national highways, as well as by canals and competing roads, with the necessary result of practically reducing all competing rates to the level of the lowest.

The great lakes and rivers so peculiarly and advantageously located as to trade, with their numerous, far-reaching, and widely extended navigable tributaries, carry water competition into almost every portion of the country, with the effect of so reducing the general rates that the United States enjoys the cheapest railroad transportation in the world.

The experience of all railroads is that reduction in rates comes gradually but surely from increased traffic and production. The laws of trade must ultimately prevail in the management of railroads as in all other widely-extended business; but as yet no just basis of general application for the adjustment of rates and discriminations has been found, and it is undeniable that there are hardships neither few nor small arising from existing discriminations, often arbitrarily imposed, which affect disastrously local trade at non-competing points. There is a growing and clamorous demand among the people that railroad management shall be subjected to the restraints of law, nor is railroad management adverse to reasonable control. On the contrary, as I believe, a judicious law would be most acceptable.

It has become a necessity that "wars" of rates shall be controlled in the interests of both the people and the roads. They usually, in the ardor of competition, spring from selfish conflict of interests, and often from breach of faith, which no existing law can control, and are not infrequently connected with stock-jobbing speculations. They break out suddenly without warning, and rage with violence for a time, with rates reduced far below the cost of transportation, and ceases suddenly, with prompt restoration of rates. Such "wars" for the time unsettle, within their operation, commercial values, affording sudden and unreasonable profits to a few and entailing heavy losses upon others.

Railway commissioners have been appointed in twenty-one States, as per reports for 1881, as follows:

Alabama, three commissioners, paid by railroads.

California, three commissioners, paid by State.
 Connecticut, three commissioners, paid by railroads.
 Georgia, three commissioners, paid by State.
 Illinois, three commissioners, paid by State.
 Iowa, three commissioners, paid by railroads.
 Kentucky, three commissioners, paid by State.
 Maine, three commissioners, paid by State.
 Massachusetts, three commissioners, paid by railroads.
 Michigan, one commissioner, paid by State.
 Minnesota, one commissioner, paid by State.
 Missouri, three commissioners, paid by State.
 New Hampshire, three commissioners, paid by State.
 Ohio, one commissioner, paid by State.
 Rhode Island, one commissioner, paid by State.
 South Carolina, one commissioner, paid by railroads.
 Vermont, one commissioner, paid by railroads.
 Virginia, one commissioner, paid by railroads.
 Wisconsin, one commissioner, paid by State.
 Texas, one railway inspector.
 New York will have three commissioners in 1883.

The general scope of the laws under which these commissioners are appointed is to control railroads within the State, and they exercise, in many instances, a healthful influence over railroad management. But railroad transportation, strictly confined within State jurisdiction, is so limited that it leaves the real difficulties unsolved and nearly unaffected. It cannot be said that State laws have been successful in dealing with the subject.

Their limited jurisdiction involves conflicts with both the general government and their sister States. Diverse decisions have been rendered by the highest judicial tribunals of neighboring States upon State laws of like import and purpose.

The supreme court of Iowa, in *Carlton & Co. vs. Illinois Central Railway Company* (see *Railway Age* for July 20, 1882, p. 397), decided February 12, 1882, that "a railroad company has the right, as a common carrier, to make its own contracts and disregard any laws of a State which seek to regulate shipments to parts beyond the limits of the State, such laws being repugnant to the Federal Constitution."

The supreme court of Illinois, in *The People vs. The Wabash, Saint Louis and Pacific Railway Company* (see *Railway Age* for October 5, 1882, p. 551), decided September 28, 1882, that "while the act of the Illinois legislature of May 2, 1873, to prevent unjust discrimination in the rates of charges of railway companies may affect commerce, it cannot be said to be a law regulating commerce among the several States within the meaning of the Federal Constitution."

Like diversity is found in the decisions of other States, but the conflicting views are well discussed in the cases cited.

If the Supreme Court of the United States should concur with the supreme court of Illinois, then each State and all States would be at liberty, in the absence of Federal law, to enact regulations each for itself, with absolute certainty of conflict of laws, and with uncertain extra State authority difficult if not impossible to define, and leading to vexatious litigation, in which the pride of State rights may be arrayed to counteract adverse decisions with new legislation.

If they should concur with the supreme court of Iowa, then it is a matter of exclusive Federal jurisdiction, and only Congress could legislate upon the subject with any effect beyond State lines.

The power of Congress over the whole subject can hardly be questioned.

The supreme court of Illinois concedes it, and the decisions of the Supreme Court of the United States seem to render it indisputable.

In *Hall vs. De Cuir* (95 U. S. R., 488), Chief Justice Waite, in a full discussion of the subject, and citing many authorities, says:

We think it may safely be said that the State legislation which seeks to impose a direct burden upon inter-State commerce, or to interfere directly with its freedom, does encroach upon the exclusive power of Congress.

Justice Clifford, delivering a concurring opinion (p. 491), says:

Power to regulate commerce is by the Constitution vested in Congress; and it is well-settled law that the word "commerce," as used in the Constitution, comprehends navigation, which extends to every species of commercial intercourse between the United States and foreign nations, and to all commerce with the several States, except such as is completely internal, and which does not extend to or affect the other States.

The universal use and absolute dependence of all inter-State commerce upon railroads, give constant rise to new questions under new conditions, which only experience can properly solve. It would seem that true wisdom would hasten slowly in dealing with this great problem, seeking the fullest information as the only true basis for wise legislation. The solution must lie in the just application of the laws of trade and commerce, with such authoritative regulation by law as will hold abuses in check, and this power can be derived only from Federal law of universal application. I have felt it to be my duty to call attention to this subject, although I have not thought it appropriate to discuss the question in detail.

Any law not based upon full information might work great injustice to the companies and be inadequate to the proper protection of the people. Experience has shown that unreasonable laws cannot be enforced, and in many instances have worked such great embarrassment to transportation as to become inoperative by common consent. Many such laws hastily enacted have been quickly repealed.

I therefore respectfully recommend that a commission be appointed to take into consideration the whole question, and report to Congress the facts necessary for intelligent and efficient action upon the subject.

UNIFORMITY IN RAILWAY SIGNALS.

The unnecessary and dangerous dissimilarity of railway signals in this country is a subject for grave consideration, affecting so largely, as it does, the safety of life and property. A table furnished this office, and believed to be reliable in copy of which is submitted as appendix 9), indicates that, with the exception of the signal for backing, consisting of three short whistles, on 198 roads in this country, there is no signal in use having the same meaning on all roads, while no less than forty different meanings are conveyed by several signals. About 90 per cent. of the roads use one whistle for applying the brakes, and about the same proportion use two short whistles for releasing brakes, while on others these sounds have exactly the opposite meaning.

The signals for road crossings, sending out flagmen, recalling flagmen, calling for switchmen, calling attention to flag on engine and to railroad crossings, denoting that train has parted, calling for fuel, &c., differ widely; in fact the code is based solely on the arbitrary determination of the officers of each road. It is evident that not only inconvenience and delay may result, but that the actual danger of loss of life and property is greatly and unnecessarily increased by this wide

diversity of signals, and many accidents have been directly attributable to it. The fact that American railway men are nomadic in their habits and frequently change from one road to another, is an additional reason why a uniform system of signals should be enforced by law if not voluntarily adopted. During the inspections of this year, officers of this bureau have conferred with the superintendents, train dispatchers, and trainmen of a number of roads, and it was conceded without dissent that a uniform system of train signals should be enforced, applicable to all roads. I have reason to believe that most if not all the railroad companies would co-operate in securing such uniformity and would regard a law to that effect with much favor, and I commend the subject to favorable consideration.

LAWS OF THE UNITED STATES AFFECTING RAILROADS AND TELEGRAPHS.

So frequent reference is made to the laws of the United States relating to railroad and telegraph companies, that I have deemed it expedient to reprint the same and add subsequent enactments, with some laws heretofore omitted, to be included as a part of this report.

A pamphlet is now in course of preparation which will contain a full list of all the railroads aided by a loan of credit or a grant of public lands, with a reference to all laws, decisions of the Attorney-General, Court of Claims, and Supreme Court of the United States relating to the railroads coming within the jurisdiction of this office. Also, the termini of roads aided, name of company now operating the same, and regulations as to rates of compensation for government transportation. It is thought that such a condensed compilation will be of interest and convenience to all the departments of the government having business relations with the companies.

TRANSPORTATION SERVICE.

The matter of the settlement of accounts for transportation service performed by the subsidized railroad companies for the government has been a vexed one, embarrassing alike to the government and the companies.

Service has been performed by the several roads aggregating, December 31, 1881, the sum of \$25,303,703.68, as represented by their books and statements rendered to this office. Of this amount \$4,295,187.98 had been paid to them prior to the act of 1873. There has been covered into the Treasury for services performed by the several companies to December 31, 1881, the sum of \$14,707,886.34 to the credit of the bond and interest account, and \$2,273,759.02 to the credit of the sinking fund. Assuming the figures returned by the companies to be correct, there remain accounts "unacted upon" amounting to \$4,026,870.34. Of this large amount the several bills contain items which are in dispute between the companies and different departments of the government. Many of them arise from changes in the tariff rates and classifications, and some from clerical errors, but the aggregate amount of all the disputed items is very small as compared with the total amount of the suspended bills.

The following statement, prepared from data at the Treasury Department, shows the amount in dispute for passenger and freight transportation to December 31, 1881:

Road.	Errors.	Disallow- ance.	Deduction.	Total.
Central Pacific.....	\$6,746 29	\$36,427 19	\$7,657 33	\$40,830 81
Union Pacific.....	41,805 39	49,300 74	29,852 80	120,958 93
Sioux City & Pacific.....		20 76	841 88	862 64
Central Branch Union Pacific.....		226 32	647 09	873 41
Kansas Pacific.....	11,244 47	11,382 85	14,698 16	37,225 48
Total.....	59,796 15	77,357 86	53,117 35	190,272 36

Upon representations made by this office, in connection with the accounting departments, the companies have recently adopted a better and practically uniform system of rendering their accounts, which has much facilitated settlements and which will probably prevent accumulations of unadjusted accounts in the future. I am informed that the accounting departments are making all practicable efforts to adjust the deferred accounts as soon as possible. Efforts have also been made to secure the adoption by all the departments having occasion for transportation upon the subsidized roads of a uniform form of "request for passenger transportation," which it is believed will prevent many inconveniences to which the companies and the accounting departments are subjected by reason of the different forms now in use. It is probable that such uniform system will soon be adopted.

CENTRAL PACIFIC RAILROAD COMPANY.

The property and accounts of this company have been carefully examined; they exhibit a marked improvement in the entire plant and a decided increase of business.

The total length of roads operated by the company on June 30, 1882, was 3,036.35 miles, of which 1,204.5 miles are owned, being the same as in the previous year, and 1,831.35 miles are leased, being an increase of 314.1 miles. Of the 1,204.5 miles owned, land was granted to aid in the construction of 1,012.47 miles, of which 860.66 miles were subsidized with bonds in addition to the lands.

At the close of the year ending June 30, 1882, there were 838 bridges, aggregating a length of 106,425 feet; 2,219 open, box, and arch culverts, aggregating 8,910 feet; and 17 tunnels, aggregating 8,102 feet, the longest of which is 1,659 feet. There is a decided improvement in the track, bridges, and buildings. Steel rails are being laid to replace iron. At the beginning of this year there remained only 500 miles of iron rails, of which 106 miles have since been relaid with steel. The company has contracted for 30,000 tons of steel rails this year: 10,000 tons of the Troy Works, 10,000 tons of the Lackawanna Iron and Coal Company, and 10,000 tons of English manufacturers. American steel rails have cost the company this year an average of \$57 per ton delivered on cars at the manufacturers works. English rails have cost, delivered on the wharf at San Francisco, with duties added, \$63 per ton.

There is, in the main line, an average of 2,640 cross-ties to the mile. The road is at present in excellent condition for safety and business. The intention is, however, frequently expressed to replace all wooden bridges and culverts with iron and stone, to reduce the curvature and grades where necessary, and to extend and deepen the ballast and bring the road, as rapidly as possible, to the highest standard of excellence. There are some 35 miles of snow-sheds, including a 1,600-foot tunnel through the summit of the Sierras west of Truckee. They are con-

structed of heavy timbers on account of the very great weight of snow which sometimes falls, and to afford adequate protection against the avalanches which sometimes rush down the mountains in winter. They have cost an average of about \$20,000 per mile and are very expensive to maintain. An admirable system of signals by telegraph and telephone has been devised for use in case of fire. Three locomotives, with several hundred feet of hose and fire-engine attachments, are kept constantly fired up, to each of which is attached three water cars, with a capacity of 10,000 gallons each; these are conveniently stationed in the sheds, ready for instant use.

Among the noticeable improvements made on the main line is a commodious passenger depot at the Oakland Pier, in the bay of San Francisco. This pier is of rock and earth-work, extending into the bay more than one and a quarter miles, and upon which are four parallel tracks. The building has a total length of 1,050 feet, covering an area of four acres, and has ten tracks running through its entire length. At the present time there are 128 passenger trains running in and out daily. The building has all modern improvements, and is so constructed as to receive passengers from the ferry-boats from both the upper and lower decks at the same time, and is admirably adapted for handling expeditiously an immense passenger traffic.

The steamer Solano, which is the largest of its kind in the world, is used for transferring passenger and freight cars and engines across the straits of Carquenez, between Benicia and Port Costa, near San Francisco. Its dimensions are as follows: Length over all, 424 feet; length on bottom, 406 feet; height at sides, 18 feet 5 inches; at ends, from bottom of boat, 15 feet 10 inches; molded beam, 64 feet; extreme width over guards, 116 feet; camber, or reverse sheer of deck, 2 feet 6 inches; draught, light, 5 feet; loaded, 6 feet 6 inches; registered tonnage, 3,541.31 tons. The aprons connecting the boat with the slips at Benicia and Port Costa are each 100 feet long, with four tracks, so arranged that freight and passenger trains are run aboard without uncoupling from the locomotive. The aprons weigh, each, 150 tons, and are worked by a combination of pontoons and counter-weights by hydraulic power. Forty-eight freight cars, or 24 passenger cars and two engines, can be transferred at one time.

The principal shops of the company are located at Sacramento, and are very extensive and complete. They have facilities for making all that is required for repairing and building all kinds of rolling stock, and for the maintenance of the track, bridges, and buildings. Car wheels are made at the rate of 40 per day, but do not supply the demand. The shops are equipped with the best machinery, and the premises are kept in neat and tasteful order. Efficient fire apparatus is also provided.

The equipment of the road is very good, consisting of 236 locomotives, of which 92 have the Westinghouse air-brake attachment; 322 passenger cars; 4,665 freight cars; 486 hand and push cars for track-men, and 187 miscellaneous cars, all of which are owned by the company. In addition to the above the company leases 177 locomotives, of which 57 have the Westinghouse air-brake attachment; 141 passenger cars; 3,536 freight cars; 509 hand and push cars for track service, and 5 wrecking cars. The increase in rolling stock during the fiscal year has been: 88 locomotives, 47 passenger cars, 1,621 freight cars, 99 hand and push cars, and 21 miscellaneous cars.

During the year ending June 30, 1882, there were accidents on the road resulting in the death or injury of 500 persons, classified as follows:

4 passengers, 31 employes, and 39 other persons were killed on account of their own carelessness, and 4 employes from causes beyond their own control, making a total of 78 killed; 42 passengers, 244 employes, and 81 other persons were injured on account of their own carelessness; 7 passengers, 45 employes, and 3 other persons were injured from causes beyond their control, making the total number of injured 422. I desire to express much satisfaction with the full and able reports made to this office, from which the foregoing figures were taken.

The Central Pacific Railroad Company has leased and operates the Southern Pacific Railroad of California from Huron to the Colorado River, at Yuma, and the Southern Pacific Railroad of Arizona and New Mexico, from Yuma to El Paso, Tex., via Deming, N. Mex.

This road is laid with 50-pound steel rails and from 2,400 to 2,640 cross-ties per mile. The new road from El Paso to Deming, a distance of 88 miles, was found to be in good condition, the track being well ballasted with broken limestone. The bridge across the Rio Grande, about 4 miles west of El Paso, is cased with boards covered with galvanized iron. The road from Deming to San Francisco was found to be in good and improved condition. With the exception of a few miles west from Deming, where the country is well adapted to stock-raising, the road runs for a distance of about 600 miles through a desolate and barren region, in some portions of which there is no sign whatever of animal or vegetable life.

Crossing the "old ocean bed," from Flowing Wells to Indio, for 60 miles, in the midst of the Colorado desert, the track is at some places 266 feet below the level of the sea. The great, and, up to the present time, unsatisfied want of this part of the country is water. Artesian wells have been sunk hundreds of feet in many places without satisfactory results. At one place, between San Simon and Tucson, the company carries water in tanks on flat cars a distance of 125 miles, for use on engines.

The buildings along the line through New Mexico and Arizona are constructed with special reference to the comfort and health of the employes, who are necessarily exposed to the extreme heat and long droughts common to that section of the country. All buildings for occupancy are constructed with a double roof, with a space of about two feet intervening, admitting a free circulation of air and rendering the building several degrees cooler than it would otherwise be.

One specially interesting feature noticed in New Mexico and Arizona was the "bunk-houses," which had been built for the comfort and convenience of the employes of the company, and each of which is intended to accommodate about 50 men. They are, like the majority of the buildings on this line, double-roofed, spacious, and airy, usually built in the form of three sides of a square, with a pleasant inner court planted with trees and flowers, and generally ornamented by a refreshing fountain in the center. The doors and windows open opposite each other, giving a free and uninterrupted circulation of air. Some of the houses have a library, billiard table, and bath-room. Engineers and firemen are the principal occupants, although all trainmen are at liberty to use the rooms free of charge. Such special and unusual provision for the health and comfort of the employes is found to be necessary to secure the permanent adherence of valuable employes in a climate so enervating and a country so desolate.

Passing west from Yuma on the California portion of the road, there is no water-station until arriving at Walters, 106 miles from Yuma. At this point some irrigation is being done, and from there northward the

country presents a decided and pleasing improvement. At Newhall, 452 miles south of San Francisco, oil wells have been developed which produce oil claimed to be equal in quality to that of the Pennsylvania wells. From five to fifteen cars are daily shipped. This discovery is fortunate and is likely to be of great value to the company.

The road from Tehachipa Summit to Caliente, a distance of 23 miles, has a descent of 2,700 feet, or about 116 feet to the mile, with curves of about ten degrees. The engineering difficulties were of great magnitude. Within this distance the road passes through seventeen tunnels, one of which is directly under its own track, thus forming what is known as the "loop." From one point the road can be seen in eight different places. The track has been well constructed as to grades, curvatures, and materials used. It is carefully watched and well maintained. A special engine was constructed in the works at Sacramento, with particular reference to the necessities of this difficult section. It is said to be the largest engine in the country. It is twelve-wheeled (eight driving and four truck), and weighs, in working order, 123,600 pounds, or 61½ tons. The tender, in working order, weighs 63,000 pounds, or 31½ tons, aggregating the enormous weight of 93 tons. It will haul up, over this section, fourteen loaded cars of 20 tons each.

The following statements have been carefully prepared from the books and accounts of this company and from reports rendered to this office:

Statement showing the earnings and expenses of the Central Pacific Railroad Company for the fiscal years ending June 30, 1881 and 1882.

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$7,151,283 71	\$6,188,388 56	Increase ..	\$962,895 15	15.56
Freight.....	16,563,043 85	15,216,554 65	Increase ..	1,346,489 20	8.85
Mail.....	450,018 17	463,861 27	Decrease ..	13,843 10	.30
Express.....	334,480 72	289,506 17	Increase ..	44,974 55	1.55
Miscellaneous.....	861,319 66	735,033 92	Increase ..	126,285 74	17.18
Total.....	25,360,146 11	22,893,344 57	Increase ..	2,466,801 54	10.77
EXPENSES.					
Conducting transportation.....	2,681,968 37	2,351,468 68	Increase ..	330,499 69	14.07
Maintenance of way.....	2,753,593 17	2,226,568 95	Increase ..	529,024 22	23.76
Motive power.....	4,067,376 10	3,133,352 21	Increase ..	934,023 89	29.80
Maintenance of cars.....	860,669 24	668,307 89	Increase ..	192,361 35	28.78
General expenses.....	5,676,804 86	5,122,806 75	Increase ..	553,998 11	10.81
Total.....	16,042,411 74	13,502,504 48	Increase ..	2,539,907 26	18.81
Net earnings.....	9,317,734 37	9,390,840 09	Decrease ..	73,105 72	.78
Average miles operated.....	2,866.66	2,614.29	Increase ..	252.37	9.65
Gross earnings per mile.....	8,846 58	8,757 00	Increase ..	89 58	.10
Operating expenses per mile.....	5,596 20	5,164 88	Increase ..	431 32	8.35
Net earnings per mile.....	3,250 38	3,692 12	Decrease ..	341 74	9.51

It will be observed that while the earnings of the road have increased nearly two and one-half millions, the expenses have increased a little over that amount, showing a slight decrease for the year in the net earnings. A large portion of this increase in expenses is due to the

improvement of the track, bridges, and buildings, and to the substitution of steel rails for iron, all of which has been charged to operating expenses. There is a decided increase also in the expense of motive power and in the maintenance of cars. Although operating over 3,000 miles of road, the company has thus far been unsuccessful in discovering coal at or near any point on the line. Coal is procured from the Union Pacific Railroad, from Pennsylvania, and from Australia, at prices ranging from \$7.15 to \$13 per ton. Within the past year coal mines have been purchased and opened in Washington Territory, from which coal is shipped at Tacoma in vessels for delivery at San Francisco, Sacramento, and other points accessible by sea. It is expected that the cost of fuel will be thereby greatly reduced. The "performance sheets" returned to this office show that the cost per mile run of locomotives on some divisions is thirty cents, of which twenty-five cents is for fuel alone.

Statement of the revenue and expenditures of the entire line of the Central Pacific Railroad Company for the year ending December 31, 1881, ascertained from the general books of the company in San Francisco by the book-keeper of this bureau.

Earnings:

Passenger.....	\$6,692,828 37
Freight.....	15,812,139 01
Mail.....	459,168 23
Express.....	318,021 22
Miscellaneous.....	783,944 12

Gross earnings.....\$24,064,100 95

Profits on miscellaneous investments.....612,056 40

Total receipts.....24,706,757 35

Expenses:

Conducting transportation.....	\$2,497,522 77
Maintenance of way.....	2,543,914 80
Motive power.....	3,455,808 06
Maintenance of cars.....	666,916 95
General expenses.....	817,131 96

Total operating expenses.....9,978,451 54

Rentals.....3,880,855 43

Total operating expenses and rentals.....13,859,306 97

Discount and interest.....212,124 98

Interest on first-mortgage bonds.....1,674,695 00

Interest on other debt, funded.....1,609,911 58

Expenses of land department.....30,826 38

New construction.....334,864 46

New equipment.....18,762 14

Surveys.....16,067 71

Loss, operating steamer division.....1,762 63

United States requirement for sinking fund for 1881.....1,038,335 24

Dividends declared on capital stock.....3,366,539 00

Total.....22,345,667 09

Surplus on operations for the year.....2,361,060 26

Or, deducting the company sinking fund requirement for the year per their books.....948,845 00

Leaves surplus of.....1,412,245 26

A comparison of the above results with those of previous years shows that the financial condition of the company has been much improved.

On June 30, 1882, the total assets and liabilities of the company were as follows:

LIABILITIES.	
Funded debt	\$54,206,000 00
Interest on same, accrued but not due	1,352,655 00
United States subsidy bonds	27,855,680 00
Interest on same, accrued but not due	23,449,463 41
Floating debt:	
Bills payable	\$4,215,545 38
Accounts payable	5,394,727 76
Interest and dividends unpaid	23,715 00
	<hr/> 9,633,988 14
Total debt	116,497,786 55
Capital stock	59,275,500 00
Total stock and debt	<hr/> 175,773,286 55
ASSETS.	
Cost of road	137,763,153 69
Cost of equipment	8,224,145 38
Real estate, shops, &c.	2,687,362 69
Cash,	2,552,644 64
Fuel, material, and stores on hand	3,650,695 41
Stocks and bonds owned	215,416 70
Miscellaneous investments	1,576,664 93
United States sinking funds and transportation account	7,170,128 38
Bills and accounts receivable	4,161,737 72
Land sales, cash and notes	1,471,802 82
Company's sinking funds	4,947,909 17
	<hr/> 174,451,661 53
Balance, deficit	1,321,625 02

The company has estimated the value of lands not sold to amount to \$26,700,000, exclusive of lands in San Francisco, and water front in Sacramento and Oakland, estimated at \$7,750,000, neither of which items are included in the foregoing statement of assets.

Under the act of May 7, 1878, the book-keeper of this office checked the books and accounts of the company in San Francisco, with a view to the ascertainment of "25 per cent. of the net earnings" for the year ending December 31, 1881. Twenty-five per cent. of the net earnings of the subsidized portion of the road was found to amount to \$1,038,395.24. The transportation for the government during the year amounts to \$959,785.33, leaving a balance due the United States of \$79,149.91.

Statement was rendered, and payment demanded October 20, 1882. A check for the amount was sent to the Treasurer of the United States by the vice-president of the company October 23, 1882. The company has therefore paid to the government all of its accrued indebtedness to date.

The following is a statement of the settlement for 1881:

Statement showing the earnings and expenses of the subsidized portion (260.66 miles) of the Central Pacific Railroad Company from January 1, 1881, to December 31, 1881, both days inclusive, as ascertained from their general books in San Francisco.

EARNINGS.	
United States:	
Passenger	\$80,007 18
Freight	56,171 70
Mail	296,489 55
	<hr/> \$432,668 43

Commercial:

Passenger.....	\$2,532,515 25	
Freight.....	6,543,650 21	
Express.....	111,486 14	
		<u>\$9,187,651 60</u>
Car service.....		4,279 76
Rent of buildings.....		18,528 05
Miscellaneous.....		414,253 04
Wells, Fargo & Co. stock on all divisions (\$812,656.40) subsidy proportion.....		<u>214,772 83</u>
Total earnings.....		<u>10,271,563 71</u>

EXPENSES.

Conducting transportation.....	\$715,076 19	
Maintenance of way.....	1,139,430 83	
Motive power.....	1,527,779 63	
Maintenance of cars.....	279,721 21	
General expenses and taxes.....	782,119 88	
Total operating expenses.....		<u>4,444,127 74</u>

Interest paid on first-mortgage bonds having priority of lien over the United States bonds.....

1,671,695 00

Total..... 6,115,822 74

Net earnings so ascertained..... 4,155,740 97

"Twenty-five per cent."..... 1,038,935 24

Deduct:

Transportation on aided lines..... 432,668 43

Transportation on non-aided lines..... 527,116 90

Total transportation withheld for 1881..... 959,785 33

Remainder—additional payment required by law..... 79,149 91

APPLICATION.

One-half of transportation on subsidized line..... \$216,334 21

Five per cent. of net earnings..... 207,787 05

Total to credit of bond and interest account..... \$424,121 26

One-half of transportation on subsidized line..... 216,334 22

Cash or additional payment required under section 4, act of

May 7, 1878..... 398,479 76

Total for sinking-fund account..... 614,813 98

1,038,935 24

The land grant to this company is estimated at 12,822,400 acres, of which 2,505,584.45 acres had been patented to June 30, 1882.

The company has sold 1,031,199.21 acres for \$5,917,623.88, or an average of \$5.74 per acre.

The Southern Pacific Company, so closely identified with the Central Pacific system, is now building, under the name of the Galveston, Harrisburg and San Antonio Railroad, a new line from El Paso via Sierra Blanca, Texas, to San Antonio, thence via the Galveston, Harrisburg and San Antonio road to Houston and Galveston, Tex., connecting at Houston with the Texas and New Orleans and Morgan's Louisiana and Texas Railway for New Orleans. This will make a direct route from San Francisco to New Orleans, a distance, as at present computed, of 2,493 miles.

This road will open to California and the Southern Territories an out-

let of great value. It is estimated that during the year 1881 the export crop of wheat and flour from California amounted to 1,161,591 tons, on which there was paid for transportation to European ports, exclusive of interest and insurance, 67s. 6d. per ton, amounting to 3,519,909 pounds sterling, or \$17,111,757. Of this large amount 73 per cent., or \$2,500,000, was paid to vessels flying foreign flags, so that all this money was absolutely taken out of the country.

It is expected to handle the grain traffic in bulk with elevators and close cars, superseding, to a great extent, the use of sacks, now so generally used, and saving to the farmers a due proportion of their cost, estimated at \$1,500,000 per year.

If the expectations of the company are realized, it is believed that a line of steamers can be supported between New Orleans and European ports, and which, on return voyages, will bring a large immigration for the Pacific coast, which has not heretofore received any considerable part of that valuable population. The great inducement of cheap and productive lands east of the mountains, the sterile plains which lie beyond, and the great distance and expense of reaching the Pacific slope by existing lines will continue for many years to deprive that coast of the advantages it would otherwise derive from general immigration. A line which will render easily and cheaply accessible the rich and unoccupied lands and vast mineral resources of California and the Southern Territories will be of national importance.

UNION PACIFIC RAILWAY COMPANY.

This company, which is the successor by consolidation January 26, 1880, of the Union Pacific Railroad Company, the Kansas Pacific Railway Company, and the Denver Pacific Railway and Telegraph Company, has operated the same number of owned miles of road during the past year as in the year previous.

A thorough investigation and examination of the property and accounts of this company has been made and the result shows marked improvement in the condition of the property and increase in business.

The main line from Omaha to Ogden is entirely laid with 56, 58, and 60 pound steel rails. The track is largely ballasted with gravel and disintegrated granite and is in good smooth condition. The company reports 1,818.8 miles of road all owned by it, in addition to which there were operated in the interest of the company 2,449.1 miles, of which 349.4 miles were opened during the year.

The Union Pacific was chartered on the 1st of July, 1862, by act of Congress which granted the right of way over the public domain, and 12,800 acres of the public lands per mile of road, and a subsidy in government bonds at the rate of \$16,000, \$32,000, and \$48,000 per mile of line, the object being to apportion the subsidy to the cost of the several sections. The amount of the subsidy for 1,033 miles was \$27,226,512, the accrued interest on the same to June 30, 1882, was \$23,323,659.69, making the total debt \$50,550,171.69 which matures in 1895,-'96,-'97, and -'98.

The amount of bonds to the Kansas Pacific (now the Kansas division of the Union Pacific Railway Company) was \$16,000 per mile for 394 miles west from the Missouri River, the total amount of bonds issued being \$6,303,000, which with the accrued, but not due, interest of \$5,751,153.09 amounted June 30, 1882, to \$12,054,153.09. The total debt of the Union Pacific Railway Company to the United States on June 30, 1882, was therefore \$62,604,324.78.

The total acres of land patented to the company to June 30, 1882, is 3,420,013.75. Their total sales were 4,317,959.55 acres, which amounted to \$19,312,441.88.

The total grant of land to this company, as at present consolidated, is estimated at 19,100,000 acres. At the close of the fiscal year ending June 30, 1882, the company owned rolling stock, as follows: 341 locomotives, of which 75 were equipped with the Westinghouse air brake; 278 passenger and 7,305 freight cars and 113 miscellaneous cars, being an increase during the year of 2 locomotives, 27 passenger, 1,863 freight, and 12 miscellaneous cars, at a cost of \$564,918.46.

During the year passenger trains ran 2,207,601 miles, carrying 903,528 passengers a distance equal to one passenger for 159,181,601 miles, or an average of 177 miles for each passenger. Freight trains ran 5,856,133 miles, carrying 2,216,684 tons a distance equal to 738,721,567 miles for one ton, or an average of 333 miles for each ton.

Among the noticeable improvements on the main line of this road are the rolling mills at Laramie. They have eight furnaces, with capacity for rerolling seventy tons of rail per day and fifteen tons of bar iron. They employ about 230 men. The buildings are of stone and the machinery and engines noticeably strong and well adapted to their work. Apparatus for speedy extinguishment of fires are kept in convenient position and are quickly available. During the year 1881 these mills turned out 10,486.5 tons of 58 pound and 126.5 tons of 50-pound iron rerolled rails; 1,336,622 pounds of bar iron; 24,733 pounds of nuts; 659,200 pounds of bolts; 651,155 pounds of spikes, and 3,448,938 pounds of splices. The necessity for building these mills was early appreciated and its accomplishment is highly creditable and economical to the company.

The town of Laramie contains some 3,000 inhabitants. The buildings are principally of stone and brick, and substantial. The company contemplates the development of soda mines a few miles from this place. A block of nearly pure soda, weighing 7,500 pounds, has been taken out. Judiciously worked, this should be a source of profit.

The shops and machinery at Omaha, which were of great magnitude, as noted in the report of last year, have been extended. The principal buildings erected there during the year were five wooden car shops, each 390 feet long, all parallel with each other; the two outside are two stories high and 40 feet wide; the other three are only one story high and 30 feet wide. The boiler-house is of brick, fire-proof, 40 by 50 feet. The machinery is nearly all new and of the most improved kind. The company has its own water-works, from which a full supply is furnished. Provision for fire is ample and effective. The foundry has capacity for turning out sixty new wheels per day. An admirable and cheap arrangement for heating the car shops by steam has been perfected, which, in view of the great amount of combustible material used, is a wise precaution.

Another important addition within the year to the property of the company is an immense elevator at Council Bluffs, Iowa, the capacity of which is one million five hundred thousand bushels. The building is handsome and substantial, and is constructed on the most approved plan; it has the best modern improved machinery, and is well adapted for the careful, rapid, and economical receiving, storing, and delivery of grain. The large and rapid increase in grain products along the line of the road has demanded the construction of a building capable of handling it, and it is thought that the facilities afforded by this elevator are ample, and that the outlay will prove to have been judicious.

Considerable additions to side tracks have been made at various points along the line, notably at Omaha and Council Bluffs, where nearly six miles of sidings have been put in. 382,967 pine, cedar, and oak ties have been laid during the year, also, 16,330 tons of new 60-pound steel rails. Improved bridges are being constructed; two of iron, four spans each, have been completed during the year and seven others are in course of construction. In addition to these, one Howe truss, six beam trusses and twenty-six pile bridges have been built along the line.

A very good work has been accomplished in the reduction of the heavy grade at Elkhorn Hill, from 79.2 feet to a maximum grade of 21 feet per mile. In accomplishing this, 150,000 cubic yards of earth were removed. Quite a number of pump-houses, wells, and tanks have also been built along the line.

Considerable difficulty has been experienced in obtaining good water along the line running through Wyoming Territory. Artesian wells have been sunk in several places to great depth, at Salt Springs, 2,300 feet and at Rock Springs 1,500 feet, without finding water.

By invitation of the officers of the road, inspection of the track, bridges, and buildings of the Colorado Central, narrow gauge, from Denver to Georgetown, was made. The track winds upwards through Clear Creek Cañon, a distance of 51 miles, to Georgetown, attaining at that place an elevation of 3,500 feet above Denver. The track is in excellent condition, winding through mountains of rock, which afford abundance of stone for ballast. The maximum curvature is 30 degrees and the maximum grade 210 feet.

The road runs into a rich mining district, the ores and supplies for which make it an important factor in the Union Pacific system.

The Denver and South Park Division was also gone over in company with several officers of the road. The track from Denver to South Platte station, 13 miles, is used jointly by this and the Denver and Rio Grande companies. From Denver to Como, 88 miles; thence to Breckenridge, 21 miles and back; thence to Garo's, 19 miles and back, to Buena Vista, to Leadville and Pitkin, down the Gunnison Valley, was seen on every hand a grand succession of magnificent scenery.

The road-bed is constructed admirably. Ties are number one and of uniform length. About one-half the road is laid with steel. In rail replacement, 40-pound steel rail is being used, which, for a 3-foot narrow-gauge track, is much above the average. An abundance of rock ballast is used; the maximum grade is 211 feet; curvature 24°, which latter has been reduced from 32°.

The buildings are amply sufficient for present demands, and the rolling stock is good. The road penetrates an exceedingly rich mining district, affording large and increasing freightage. Near Como three mines of excellent bituminous coal are being developed, one of which yields a coal well suited for coke.

A noteworthy feature on this line, between Buena Vista and Pitkin, is the summit tunnel, 1,800 feet in length, which pierces the Rocky Mountains 11,524 feet above sea level; in the center is a spring whose waters there divide, part running to the Atlantic and part to the Pacific Ocean. The whole road is full of interest, not only affording scenery of the most varied character, much of it of quiet pastoral beauty, but in places the most abrupt and rugged of any in the mountains, accessible by rail. The rapid development of the Pitkin district bids fair to render it a most valuable contributor to the revenues of the Union Pacific system.

The Oregon Short Line Railway Company, a corporation duly created

and organized under the laws of the Territories of Wyoming and Idaho and of the State of Oregon, are constructing, with the assistance of the Union Pacific Railway Company, a road which will extend from Granger (a point on the main line of the latter road) to Baker City, in Oregon, at which place it will connect with the lines of the Oregon Railway and Navigation Company, and "thence to such point or points on the Columbia River or the Pacific Ocean as the company may select." * * This new line, in addition to that of the Utah and Northern Railway, will form an important link in the Union Pacific system of roads and will aid materially in the development of that entire section of country.

From the latest information obtainable, the track has been laid from Granger to Port Neuf, from which point it runs over the line of the Utah and Northern Railway to Pocatello, thence to the Snake River, following down the valley, past American Falls, for a distance of 16 miles, to the present terminus, or a total distance from Granger of about 257 miles. No work has been done on the western division.

The Utah and Northern Railway Company was organized April 30, 1878, and is the successor of the Utah Northern Railroad, which was sold under foreclosure March 28, 1878. The gauge of the road is 3 feet, and at present extends from Ogden, Utah, to Butte City, Montana, a distance of 415.54 miles. The main line has been extended from Silver Bow Junction to Deer Lodge City, 26 miles, the ultimate object being to reach Missoula.

This road is operated by the Union Pacific Railway Company, which owns nearly the entire stock, and, as it passes through a rich mining country, is expected to be a source of considerable revenue in the near future.

KANSAS DIVISION.

This portion of the Union Pacific Railway was thoroughly inspected, accompanied by the general and division superintendents. The lines examined were the main line, 639 miles from Denver to Kansas City, and the McPherson branch, 36 miles south from Salina, Kans.

This division is about one-half iron and the other half steel rails; the intention being to replace all iron with steel as rapidly as practicable.

Some of the older steel rails in the track are below 60 pounds to the yard, but all new steel rails now being put in are of that weight. Standard frost-proof water tanks of 54,000 gallon capacity are being used. The stationary pumping engines are generally protected by substantial stone buildings. In some places wells have been dug 100 feet deep and 20 feet in diameter, with a winding stairway to the bottom supported on iron frames. The water generally is good.

The 394th mile post, which marks the western terminus of the bonded portion of the road, is well located, but should be permanently marked by some substantial monument.

About 225 of the 394 miles of track, aided by bonds of the government, are laid with steel, and this part is receiving its due proportion of the expenditures for improvements. The road generally runs through a fine agricultural country.

Good and judicious improvements have been made as to engine-houses, machine-shops, and iron turn-tables. The round-house, yards, and tracks at Denver have been very much enlarged and improved. The main shops, which are located at Armstrong, just outside of Kansas City, are very complete. A fire department, well organized from the employes of the company, with efficient apparatus and full supply of water, affords all possible protection against fire.

On June 30, 1882, the total assets and liabilities of the Union Pacific Railway company were as follows:

LIABILITIES.		
Funded debt		\$82,555,053 75
Interest on same, accrued but not due		2,049,609 74
United States subsidy bonds		33,539,512 00
Interest on same, accrued but not due		29,074,812 78
Dividends unpaid		1,123,371 14
Floating debt:		
Bills payable	\$3,879,707 61	
Pay-rolls and vouchers	2,239,866 99	
Accounts payable	4,635,317 27	
		10,754,891 87
Total debt		159,097,242 28
Capital stock		60,868,500 00
Total stock and debt		219,965,742 28
ASSETS.		
Cost of road and equipment		157,092,858 46
Cash		1,570,029 16
Fuel, material, and stores on hand		3,963,345 92
Company's stocks and bonds		2,250,940 02
Other stocks and bonds		36,365,347 64
Land contracts and cash		6,448,827 92
Sinking funds		767,658 85
Miscellaneous investments		151,621 76
Interest repaid the United States by transportation service		6,871,519 56
Bills and accounts receivable		2,761,500 48
Due from the United States for transportation service		8,578,930 55
Total assets		226,822,580 32
Surplus		6,856,838 04

Statement showing the earnings and expenses of the Union Pacific Railway Company for the fiscal years ending June 30, 1881 and 1882.

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		Per cent.
			Increase or decrease.	Amount.	
EARNINGS.					
Passenger	\$5, 195, 526 77	\$4, 970, 646 85	Increase ..	\$224, 879 92	4.52
Freight	16, 772, 155 48	15, 957, 560 64	Increase ..	814, 594 84	5.10
Mail	719, 840 76	718, 337 61	Increase ..	1, 503 15	.21
Express	766, 038 31	660, 287 00	Increase ..	45, 751 31	6.92
Miscellaneous	701, 065 83	458, 919 98	Increase ..	242, 145 85	52.00
Total	24, 094, 627 15	22, 765, 752 08	Increase ..	1, 328, 875 07	5.83
EXPENSES.					
Conducting transportation	2, 519, 835 44	2, 267, 682 66	Increase ..	252, 152 78	11.11
Maintenance of way	3, 357, 735 69	3, 569, 549 26	Decrease ..	211, 813 57	5.94
Motive power	4, 121, 788 27	3, 772, 114 77	Increase ..	349, 673 50	9.27
Maintenance of cars	1, 079, 132 86	983, 353 54	Increase ..	95, 779 32	9.74
General expenses	991, 300 29	882, 269 85	Increase ..	109, 030 44	12.36
Total	12, 069, 792 55	11, 474, 910 08	Increase ..	594, 882 47	5.19
Net earnings	12, 024, 834 60	11, 290, 842 00	Increase ..	733, 992 60	6.50
Average miles operated	1, 818.80	1, 818.80			
Gross earnings per mile	\$13, 247 54	\$12, 516 90	Increase ..	730 64	5.83
Operating expenses per mile	6, 636 16	6, 309 08	Increase ..	327 08	5.18
Net earnings per mile	6, 611 38	6, 207 82	Increase ..	403 56	6.50

This shows a very steady and even increase in gross earnings, operating expenses, and net earnings during the year.

The books and accounts of this company were thoroughly examined in Boston. Twenty-five per cent. of the net earnings of the subsidized portion of the Union Pacific for the year 1881 was found to be \$1,826,294.98, and 5 per cent. of the net earnings of the Kansas Division, subsidy portion, \$77,691.23, making amount due the government \$1,903,986.21; from which deduct transportation withheld, \$1,313,794.90, leaving cash balance due the United States of \$590,191.31.

A copy of the detailed statements, showing the above result, is herewith submitted.

Settlement has not yet been consummated, because of the refusal of this office to allow the company to deduct items for new construction and new equipment for the year ending December 31, 1881, aggregating \$1,409,817.27 from gross earnings, to ascertain the net earnings as required by the act of May 7, 1878. There is also involved the claim of the company to deduct the sum of \$971,622.55 for prior years. A detailed statement was rendered and payment demanded of the balance due for the year ending December 31, 1881, \$590,191.31; also of previous balances to December 31, 1880, amounting to \$242,286.89, but payment was refused for the reasons stated. The question will probably be submitted to the Attorney-General for his opinion.

The purpose of the company is everywhere manifest to perfect the roadway and its equipment. All new work is substantial and of the best. Iron rails are replaced with steel, and wooden bridges and culverts with iron and stone. Stone ballast is being extended as rapidly as practicable. The main line and the connecting roads operated by it are in excellent condition.

In respect to the policy of the Union Pacific and the Central Pacific companies in aiding the erection of branch lines through valuable territory, which rival companies would occupy to their detriment if such aid were not extended, I entirely concur in the remarks of Mr. French, my predecessor, in his report for 1880 (p. 25):

The policy of investing in these branch lines is undoubtedly the best for insuring a continuance of profitable business for the main line, and so long as the government has such a large interest as creditor it cannot but sanction and confirm such investments. If there is any way by which these branch properties could be merged in or consolidated with the main property, it would be desirable, so that in any event or contingency the main property could not be deprived of these valuable feeders.

UNION PACIFIC RAILWAY COMPANY, UNION DIVISION.

Ascertainment of "25 per cent. of net earnings" for the year ending December 31, 1881, under the act of May 7, 1878.

EARNINGS.

United States:

Passenger.....	\$186,372 58
Freight.....	399,826 96
Mail, amount claimed by company.....	\$990,770 00
Less difference between amount claimed and amount allowed by Post-Office Depart- ment.....	423,426 00
	<hr/> 413,338 31
	<hr/> \$1,019,547 85

Commercial:

Passenger.....	0,377,701 37
Freight.....	10,623,112 32
Express.....	673,169 73
	<hr/> 14,416,073 25

Company freight	\$1, 165, 970 74
Car service	92, 159 53
Rent of buildings	28, 889 77
Miscellaneous	422, 219 08
	<u>\$1, 709, 239 12</u>

Gross earnings 17, 144, 860 49

EXPENSES.

Conducting transportation	1, 645, 743 20
Maintenance of way	2, 389, 501 45
Motive power	2, 812, 921 59
Maintenance of cars	797, 325 92
General expenses and taxes	563, 328 40

Total operating expenses 8, 208, 820 56

Interest paid on first mortgage bonds having priority of
lien over those of the United States, ledger folio 386.. 1, 630, 860 00

Total expenses under act of May 7, 1878..... 9, 839, 680 56

Net earnings so ascertained 7, 305, 179 93

Twenty-five per centum of net earnings..... 1, 826, 294 98

Amount of transportation rendered as above 1, 019, 547 85

Less difference in amount claimed by company..... 7, 231 23

1, 012, 316 62

Remainder, cash or additional payment required by
law 813, 978 36

APPLICATION.

One-half transportation services claimed 506, 158, 31

Cash payment, five per cent. of net earnings 365, 259 00

To credit of bond and interest account..... 871, 417 31

One-half transportation services claimed 506, 158 31

Cash payment, being that portion of the \$850, 000 named
in section 4 of the act of May 7, 1878, payable into the
sinking-fund..... 448, 719 36

954, 877 67

1, 826, 294 98

Cash payment ascertained to be due for the year 1881,
after deducting the amount claimed for transportation
services rendered on the subsidy portion and withheld
by the United States 813, 978 36

The company is, however, entitled to payment for trans-
portation services performed over non-aided lines oper-
ated by it, and for which compensation has been withheld
by the United States:

Passenger, freight, and mail service on the Omaha and

Republican Valley 6, 798 95

Omaha, Niobrara and Black Hills..... 2, 127 69

Saint Joseph and Western..... 14, 460 35

Marysville and Blue Valley..... 1, 645 21

Echo and Park City..... 6, 843 56

Utah Northern..... 59, 733 45

Colorado Central..... 23, 289 28

Denver, South Park and Pacific..... 4, 211 02

Denver Pacific..... 20, 523 72

Junction City and Fort Kearney..... 3, 581 77

Solomon Railroad..... 2, 821 63

Salina and Southwestern..... 1, 560 90

Denver and Boulder Valley..... 1, 186 32

Golden, Boulder and Caribou 288 48

Lawrence and Emporia..... 1, 560 65

150, 633 03

Cash requirement for 1881 663, 345 32

Less amount due Kansas Pacific on settlement 73, 154 02

Balance due the United States in cash 590, 191 31

UNION PACIFIC RAILWAY COMPANY, KANSAS DIVISION.

Earnings and expenses from November 2, 1880, to December 31, 1881, inclusive.

EARNINGS.

United States:		
Passenger	\$26,188 54	
Freight	94,365 89	
Mail	132,686 98	
		<u>\$253,239 41</u>
Commercial:		
Passenger	1,687,509 49	
Freight	4,566,178 97	
Express	199,382 58	
Company freight	367,425 00	
Car service	46,645 94	
Rent of buildings	6,770 48	
Miscellaneous	64,848 22	
		<u>6,868,149 15</u>
Gross earnings		<u>7,121,388 56</u>

EXPENSES.

Conducting transportation	\$47,225 83	
Maintenance of way	1,463,793 31	
Motive power	1,363,584 08	
Maintenance of cars	342,667 48	
General expenses and taxes	475,706 22	
		<u>4,483,016 42</u>
Total operating expenses		<u>4,483,016 42</u>
Surplus		<u>2,638,372 14</u>
2½ subsidy proportion		<u>1,645,987 36</u>
Less:		
New construction (see statement)	70,226 12	
New equipment (see statement)	21,236 65	
		<u>91,462 77</u>
Net earnings so ascertained		<u>1,553,824 59</u>
Five per cent		<u>77,691 23</u>

Cash portion due company for transportation services rendered in 1881, by actual location:

Subsidized:		
Passenger	\$17,631 51	
Freight	45,770 89	
Express	327 11	
		<u>53,730 51</u>
One-half		<u>29,867 76</u>
Unsubsidized:		
Passenger	7,716 07	
Freight	32,245 56	
Express	219 71	
		<u>40,174 37</u>
Subsidized mail = ½ of \$113,567.64 = \$59,024.49, less one-half		<u>30,912 35</u>
Unsubsidized mail = ¼ of \$113,567.64		<u>12,741 15</u>
Mail—Leavenworth branch		<u>2,241 22</u>
		<u>150,845 25</u>
Less five per cent, net earnings, as above		<u>77,691 23</u>
Balance due company in cash		<u>73,154 02</u>

Particulars of construction and equipment from November 2, 1880, to December 31, 1881,

CONSTRUCTION.

For November, 1880:

Right of way	50,000 — $\frac{1}{100}$..	48 33
Fire apparatus at Armstrong	140.52 .. do ..	135 84
Bismarck Grove	1,288.23 .. do ..	1,245 29

For December, 1880:

Shops, &c., at Armstrong	8,785 29	1,429 46
Tools, &c., at Armstrong	543 11	
Bismarck Grove	877 89	
Telegraph line, \$10,380.02 take $\frac{1}{100}$..		
As per Treasurer's letter of May 1, 1882	4,591 04	14,797 33

For the year 1881:

Land at Armstrong	1,210 24	
Addition to ships at Armstrong	372 09	
Tools and machinery at Armstrong	5,540 74	
Spur track to Armourdale	4,640 66	
Palace Hotel property at Topeka	8,000 00	
Buildings and improvements at Bismarck Grove	34,221 39	
Telegraph line = $\frac{1}{100}$ of \$32.15	14 21	
		53,999 33
		70,226 12

NEW EQUIPMENT.

November, 1880, expense on freight cars, $\frac{2}{100}$ of \$18.99	18 36	
December, 1880 expense on freight cars	300 00	
During the year 1881:		
8 cabooses	10,090 04	
2 express cars	4,962 74	
3 work cars	2,146 45	
Miscellaneous cars	14,395 03	
License to use steam plow and scraper	1,000 00	
Royalty on patent safety gate	1,250 00	
License to use Safford's draw bar	863 00	
		35,025 62
Deduct rebate on freight charges		583 44
		34,442 18
$\frac{3}{100}$ — subsidy proportion		21,236 65

NORTHERN PACIFIC RAILROAD COMPANY.

Thorough inspection of the property of this company has been made, and great improvements noted over last year.

The rapidity with which construction has progressed on both the eastern and western divisions is without precedent in the history of the company.

During the year ending June 30, 1882, 285 miles of track were laid with American steel rails, of which 183 miles were laid from the east, and 102 miles from the west, leaving the two ends of the track 572 miles apart on June 30, which, at the present rate of construction, will be lessened about 300 miles by the close of the year. The final connection of the tracks is expected to be made not later than the fall of 1883.

The building of this trans-continental line will develop an immense area of agricultural and grazing lands. During the past year there has been an unprecedented flow of new population into the States and Territories tributary to the road.

Careful recent estimates made by the officers of the company, as shown by returns to this bureau, show an increase of population of 31,948 in Oregon and Washington Territory since the census of 1880.

In the ten most important towns along the Minnesota division (Duluth

to Fargo) there has been an increase of 16,200, or 200 per cent. In the five counties traversed by the Dakota division, a gain of 22,322, or 150 per cent.

A number of thriving towns and numerous settlements are rapidly springing up along both the eastern and western divisions of the road.

WESTERN DIVISION.

The inspection of this division extended from Portland to Tacoma, and from Portland to the "front," some thirty miles east of where Clark's Fork of the Columbia River empties into Lake Pend d'Oreille.

The rapidity of construction and its thoroughness deserves high commendation. The cuts and embankments are wide, well shaped, and clean, the material first-class; the rails of American steel, 56 pounds to the yard, and the cross-ties are laid 2,640 to the mile. Owing to the expeditious manner in which the road has been built, and a proper regard to economy, occasional sharp grades and curvatures have been adopted, but they will be reduced as soon as practicable. Much of the line of the road abounds in excellent material for ballast, which is being utilized as rapidly as possible.

Construction work is carried on from the western end, under the supervision of its own superintendent. The force employed averages about 6,000 men, of whom about 4,000 are Chinese. The difficulties encountered in the construction of the road up Clark's Fork were extreme. The valley is a mountain gorge, densely timbered with pine, spruce, beech, and tamarack, often rising to a height of 250 feet; the country broken, rocky, and precipitous. No road existed save a pony-trail along the mountain sides, and numerous rapids interfere with the navigation of the river.

To aid the work of construction the company has placed a small steamer on a comparatively smooth stretch of the river, 40 miles long, beginning 21 miles above Cabinet Landing, or 28 miles above the mouth of Clark's Fork, where it empties into Lake Pend d'Oreille.

About 25 miles of difficult work still remain on Clark's Fork, after which the character of the country changes and the work will become much easier. To cross the two arms of Lake Pend d'Oreille the company were compelled to build two immense trestles, one of 7,200 and one of 8,400 feet in length. Piles were driven, upon which the bents rest the entire distance; the stringers, ties, and guard-rails are of most excellent material and very superior workmanship. Guard-rails of wood are bolted every fifth tie through rail, tie, and stringer, some 34 inches, and are notched upon every tie, making a very strong and safe bridge.

The trestle and bridge across the Clark's Fork, just above the lake, is also an excellent structure, built this year, under difficulties, the current being very rapid. A good line with easy grades has been located on the south bank of the Columbia River between Portland and Kalama, a distance of 39½ miles.

The Northern Pacific proposes to participate in forming a terminal company for the building of a passenger and freight depot at Portland, and to provide other terminal facilities for all roads centering at that point. It is estimated that the plans and location of property fully covers all present and future needs for terminal facilities at Portland.

EASTERN DIVISIONS.

This part of the road has also been inspected and is in good condition. The opening of the road within the past year, from Miles City to

Billings, completes the line from Duluth to that point, a distance of 1,029 miles. The company also operates 136 miles of track from Saint Paul to Brainerd, a point on the main line, thus giving a through line from both Saint Paul and Duluth to the present terminus of the road.

From Duluth, at the head of Lake Superior, to Thomson, a distance of 24 miles, the road is owned and operated jointly with the Saint Paul and Duluth Railroad Company. The company has leased 60.5 miles of the Western Railroad Company of Minnesota, from Brainerd to Sauk Rapids, for a period of ninety-nine years, and has secured the perpetual right to use 75.5 miles of track of the Saint Paul, Minneapolis and Manitoba Company from Sauk Rapids to Saint Paul, paying for the privilege \$40,000 per year and a proportion of maintenance and station expenses, which secures a continuous line from Saint Paul to Brainerd, a distance of 136 miles.

The road from Saint Paul to Brainerd is well ballasted with earth, very little other material being used, and is fenced much of the way with barbed wire or boards.

YELLOWSTONE DIVISION.

Track-laying on this division began in July, 1881, and at time of inspection had been completed to Billings, a distance of 224 miles. Great difficulty of construction has been experienced on this division by reason of the peculiar and variable character of the bluffs along the Yellowstone River. The lower strata are comparatively soft, and easily disintegrate, undermining the harder strata above, which fall in great masses upon the track.

In seasons of high water, the action of the river is often destructive, the rock being undermined by the water, causing it to cave. This difficulty is being obviated, and in time will be entirely overcome, by a continuance of the present system of throwing out dikes at exposed points to divert the river current from the bank. Extensive work of this kind has been successfully accomplished at Iron Bluff, about 10 miles west of Glendive. At this point an enormous mass of material, with scarcely any cohesion, containing millions of cubic yards, was slowly crumbling to pieces and gradually sliding towards the river. The obstacles thus placed in the way of a permanent road-bed appeared serious, the first track being wrecked shortly after the laying. A strong dike has been thrown out into the river, however, diverting the channel to the opposite shore, and the temporary track then laid has thus far proven to be permanent.

For a distance of 91 miles between Fort Keogh and Custer there are 23 miles of rugged bluff-work. At exposed points heavy riprapping has been done.

The maximum grade of this division is 26.4 feet to the mile: the curvatures generally good, but can and will be reduced in time.

The bridge across the Powder River, a beautiful stream of clear water, is a Howe truss—four spans of 150 feet each and 195 feet of pile trestle approach. A Howe truss bridge of two spans, 154 feet each, with 601 feet of pile trestle, crosses the Tongue River. There are also Howe truss bridges over the Cedar, Cabin, O'Fallon, Rosebud, and Yellowstone Rivers.

The bridge timbers on the eastern are similar to those on the western division, and are of excellent material and of full size. Fifty-six-pound American steel rail is used on this division, and 2,640 ties to the mile.

There are eight standard water-tanks, well built—one supplied by wind-mill, three by gravity, and four by steam pumps.

One 11-stall engine-house and iron turn-table at Glendive, and one 8-stall engine house and wooden turn-table at Forsythe.

Sidings have been laid, of a uniform length, at the smaller stations, of 2,640 feet or one-half mile; the larger stations have more than this, but none less. There are 59,562 feet of siding now laid on this division.

Twenty-five miles of the track of this division have been ballasted with gravel, at an average of 10 inches in depth.

Excellent stock-yards have been built at Glendive and Miles City, and others will be constructed as rapidly as the demand requires.

The yard at Glendive is 418 by 454 feet, with 10 pens and 6 chutes; that at Miles City is 300 feet square, with 7 pens and 5 chutes. Both have convenient feed-racks, water-troughs, &c., and stock can be handled comfortably and economically. Sections are about 10 miles long, and the houses are so constructed and located as to accommodate the foremen and laborers of two gangs, having a neat car and tool house on either side for the use of each gang. The section-houses are much above the average, and are all uniform in size, construction, and distance from track. They are one-and-a-half story, well painted, roomy, airy, and comfortable.

BISMARCK RIDGE.

The company is to be congratulated in having completed so important a structure as this bridge across the Missouri River, between Bismarck and Mandan, Dakota Territory. At the time inspection was made this bridge was not completed. The river was crossed by a steam ferry-boat, capable of transferring three passenger coaches or four freight cars at once.

The bridge was completed, tested, and formally opened to traffic October 21, 1882. Eight locomotives, weighing over 500 tons, crossed the bridge and rested on each of the spans, whilst engineers made observations and photographs were taken. The deflection of each span was less than 3 inches. The testing engineers, men of long experience and of eminent ability, pronounced the bridge one of the finest and most complete in the country. The total length of the superstructure, which is of steel and iron, is 1,400 feet; that of the trestle approach, 1,500 feet.

The three main spans are each 400 feet long. The bottom chord is 70 feet above low water. The piers are 74 by 26 feet at base and 35 by 10 feet under the coping; each contains 2,700 cubic yards of masonry and 1,000 yards of concrete, being the largest piers on the Missouri or Mississippi Rivers, except those at Saint Louis. The masonry is built in a most thorough and workmanlike manner, and is entirely of granite. Foundations for the channel piers were put in by pneumatic process, and are 50 feet below the level of low-water. They rest on hard clay, specimens of which stood a pressure of 300 pounds to the cubic inch. It was drilled into 70 feet, and found to be uniform. It is regarded as an entirely adequate foundation. About 70 per cent. of the superstructure, it is estimated, is of steel and 30 per cent. of iron.

The bridge ties used are of oak, 9 inches square and 15 feet long, spaced only 6 inches apart in the clear. Inside the steel rails of the track are placed wrought angle irons, bolted to every tie in a manner which is believed to make the floor perfectly safe from accidents due to derailments. The cost of this bridge, including a large dike put in on the west side for regulating the channel, will be about \$1,000,000.

Very substantial improvements have been made by the company at

Mandan, on the west bank of the Missouri, among which are a large round-house and machine-shop; also, a fine two-story brick station building of large dimensions, with mansard roof, broad platforms, and large airy rooms and offices was being erected, and has been, ere this, completed. The upper floor will be devoted to the use of the division officers.

The town, claiming about 1,500 inhabitants, has grown to its present size from nothing within the last two and a half years.

On the East and West Minnesota divisions, Saint Paul division, Cas- selton branch, and the Wisconsin division, an aggregate track of 575 miles, 395 miles are of American steel and 180 miles of iron, all 56 pounds to the yard. The bridges generally rest upon piles. There are only four Howe truss and one Post truss bridge on these lines. A guard rail, 6 by 6 inches, is bolted to the outside stringers, 3 feet from the rail.

The station buildings are frame, one story high, and of sufficient capacity for the accommodation of the business. They all bear neat signs, designating name and distance. No mile posts are yet up, but it is intended to erect them soon. The principal shops are at Brainerd, where a new one, 120 by 250 feet, has been built. There have been erected during the year, one 44-stall engine-house at Brainerd, one of 10 stalls at Duluth, one of 18 stalls at Fargo, one of 2 stalls at Jamestown, and one of 6 stalls at Bismarck. It is intended to have the track all graveled by the fall of 1883.

The rail on the line from Brainerd to Sauk Rapids is of iron weighing 52 pounds to the yard, but before the close of the present year will all have been relaid with steel of 56 pounds to the yard.

The water-tanks are standard, frost-proof, 16 by 24 feet, and are supplied from wells and streams, by steam power; 72,885 feet of new sidings have been put in during the year ending June 30, 1882.

The filling in of the marsh at Saint Paul is being continued as more track room is needed. A double-track iron bridge across Fourth street, an iron-turn table, and other improvements at Saint Paul have been built. The general office building at that place is progressing, and it is expected will be ready for occupancy in January next.

ENTIRE LINE.

During the year the company expended for new construction \$15,044,712.75, and for improvements and betterments on the already constructed road, \$1,185,944.70. The equipment purchased during the year amounted to \$2,138,956.26, consisting of 54 engines, 43 passenger, and 2,079 freight cars.

The total equipment at the close of the fiscal year ending June 30, 1882, was 154 locomotives, of which 31 have the Westinghouse air-brake attachment; 104 passenger cars, 4,787 freight, and 644 miscellaneous cars.

During the year there were accidents on the road resulting in the death or injury of sixty-four persons, 16 killed and 48 injured, classified as follows: One passenger and two employés were killed from their own carelessness or misconduct, and 13 employés from causes beyond their control. Two employés were injured from their own carelessness or misconduct, and 46 from causes beyond their control.

The company has been fortunate in the discovery of a valuable and continuous vein of bituminous coal, from 4 to 5 feet in thickness, 100 feet from the surface, and above the water level, in the vicinity of Bozeman, Mont.

It is purposed to develop this mine by the time the track reaches there this fall. About 30 miles west of north from Billings, in the Bull Moun-

ains, coal of excellent quality has been discovered, which will be easy of access to the projected line from Billings to Fort Benton. It is thought that when these mines shall have been developed there will be no further necessity of shipping coal from the East for steam and heating purposes.

From reports submitted to this office the following statements have been compiled:

Statement showing the financial condition of the Northern Pacific Railroad Company on June 30, 1882.

LIABILITIES.	
First mortgage bonds	\$24,616,500 00
Interest on same	661,676 74
Net proceeds, land sales, &c	10,432,643 24
Accounts payable and advances on bonds	7,110,962 43
Total debt	42,821,782 41
Capital stock	90,909,132 20
Total stock and debt	133,730,914 61
ASSETS.	
Cost of road	\$122,581,020 16
Cost of equipment	4,466,903 82
Real estate	363,698 26
Cash and material on hand	6,558,061 22
Company's stocks and bonds owned	1,683,635 10
Other stocks and bonds owned	552,600 00
Accounts receivable	783,480 04
Total assets	136,989,398 60
Surplus	3,258,483 99

Comparative statement showing the earnings and expenses of the Northern Pacific Railroad Company for the fiscal years ending June 30, 1881 and 1882.

	1882.	1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$1,302,260 80	\$668,620 92	Increase..	\$633,639 88	94.82
Freight.....	3,909,423 20	2,207,299 13	Increase..	1,702,124 07	77.11
Mail.....	52,306 50	37,860 61	Increase..	14,445 92	39.15
Express.....	149,293 18	76,318 69	Increase..	72,974 49	95.61
Miscellaneous.....	17,021 82	4,420 11	Increase..	12,601 71	285.10
Gross.....	5,430,305 56	2,994,519 49	Increase..	2,435,786 07	81.35
EXPENSES.					
Transportation.....	794,630 31	430,072 40	Increase..	364,557 91	84.78
Maintenance of way.....	952,919 56	499,332 31	Increase..	453,587 25	90.90
Motive power.....	967,694 74	499,088 35	Increase..	477,606 39	95.47
Maintenance of cars.....	273,975 45	125,229 13	Increase..	148,746 32	118.78
General taxes and rentals.....	583,620 45	480,668 11	Increase..	102,952 34	21.42
Total.....	3,572,840 51	2,025,380 30	Increase..	1,547,460 21	76.40
Net earnings.....	1,857,465 05	969,129 19	Increase..	888,335 86	91.67
Average miles operated.....	797 00	584 00	Increase..	213 00	36.47
Gross earnings per mile of road.....	6,818 85	4,723 31	Increase..	2,095 54	44.37
Operating expenses per mile of road.....	3,830 46	3,119 26	Increase..	711 20	22.80
Net earnings.....	2,488 39	1,604 05	Increase..	884 34	55.29

LANDS.

The company was chartered by act of Congress approved July 2, 1864, and received a grant of land of twenty sections to the mile within the States and forty sections per mile within the Territories.

It is estimated that this grant will aggregate 42,000,000 acres of land; 746,509.52 acres have been patented to date. The company claims to have earned to June 30, 1882, 12,234,848.24 acres. No patents have been issued by the United States to the company since November 4, 1873, except one, April 8, 1880, for 3,016 acres in Washington Territory.

The company reports having sold lands, up to June 30, 1882, for an amount aggregating \$13,108,835.28, of which sales \$1,426,461.87 were made during the year ending June 30, 1882. During the past year, up to November 1, 1882, the President of the United States has appointed commissioners to examine for acceptance by the government 625 miles of road, 300 miles on the western and 325 miles on the eastern divisions, reports of which have been returned to the Secretary of the Interior.

In this connection it is well to take into consideration the close relations existing between the Northern Pacific Railroad, the Oregon and California Railroad, the *Oregon Railway and Navigation Company*, and the *Oregon and Transcontinental Company*.

The Navigation Company is a consolidation of the Oregon Steamship Company, the Oregon Steam Navigation Company, and the companies owning the railroads built to overcome the rapids of the Columbia River. This company was chartered June 12, 1879, and commenced business July 1, of the same year.

On June 1, 1882, the length of roads operated was 451.2 miles. At that date the company was building a line from Portland to Bonneville, 42 miles, to connect with its main line from that point to Wallula, Wash. Ter. This has since been completed. The company was also extending a branch from Umatilla to Baker City, via Pendleton, 172.5 miles.

The Transcontinental Company was organized under the laws of the State of Oregon for the general purpose of constructing railroads, but more particularly to secure harmony of action between the Oregon Railway and Navigation Company, and the Northern Pacific Railroad Company, which it has done through the purchase of a large amount of the stocks of these two companies, and also to furnish the means to build branch lines to the Northern Pacific Railroad—which that company cannot under its charter construct—to increase the value of its lands and prevent the encroachment of rival lines.

The Oregon and Transcontinental Company has extended to the Northern Pacific, as its largest stockholder, the strong support of its capital of \$30,000,000, enabling the company to push construction steadily throughout the year. It controls the railroads reaching all the settled portions of the valleys of the Columbia east of the Cascade Range, and of its principal tributaries, the Willamette and Snake Rivers, and includes a rail connection with San Francisco. It further embraces the navigation of these three rivers, as well as of Puget Sound, carried on by thirty steamboats, and, likewise, the whole of the coastwise trade along the North Pacific coast, from the northern boundary of Mexico to Alaska, carried on by 26 ocean steamships.

The traffic which will flow from these sources into the main artery of the Northern Pacific, upon its completion, will add greatly to its revenues.

OREGON AND CALIFORNIA RAILROAD COMPANY.

Chartered March 17, 1870, and opened for business December 1, 1872.

The company is now successor by consolidation of the Oregon Central Railroad Company, purchased September 1, 1880, chartered July 25, 1866, and owns the land grant of said company; the Western Oregon Railroad Company, purchased October 9, 1880, and the Albany and Lebanon Railroad Company, leased December 15, 1880, at a rental of \$1 for each period of six months, this company to pay taxes and keep up repairs. The several lines are operated in two divisions, *i. e.*:

	Miles.
East Side Division:	
Maine line, Portland to Roseburg	198
Lebanon branch, Albany Junction to Lebanon	11.5
West Side Division:	
Portland to Corvallis	97
Total, exclusive of side tracks	306.5

The estimated grant of land to these combined companies amounts to 3,940,000 acres, of which 322,062.40 acres have been patented to June 30, 1882. Of this latter amount, lands had been sold up to December 31, 1881—date of last report—for an amount aggregating \$309,486.15, at an average price of \$2.25 per acre. The minimum price now asked is 25 cents, the maximum \$10 per acre.

Inspection of the property of this company was made in July, 1882, and found to be in a somewhat improved condition over the previous year. The past year has been the most eventful one in the history of the company since its organization. It witnessed the end of a crippled and helpless existence, which the corporation had led since its bankruptcy in 1873, and the beginning of new vitality and brighter promises for the future.

It appears that from the failure of the company in 1873 until its reorganization the policy was pursued of incurring the least possible expense in repairs and renewals, in order to eke out the largest possible net results for the association of bondholders in control of the property. The legitimate fruit of so false an economy had to be borne sooner or later, if the road hoped to ever attain even a fair standard, and the result was that immediately after the reorganization, large expenditures became inevitable. It is the intention of the present management to improve and perfect the property as rapidly as time and money will admit.

Running down from Portland to Roseburg, on the east side of the Willamette River, the track is in good line, and part of it well ballasted with gravel. The bridge across the Willamette is to be renewed this year. The trestle approach on the southern side is about one mile long. The strong current, high waters, and soft yielding soil render it impracticable to fill this trestle with material.

At Oregon City, which is the largest manufacturing town in the State, a 40-foot fall in the Willamette furnishes a magnificent power, and is being utilized.

The inspection extended as far south as Roseburg, the present operating terminus, and some 15 miles beyond where track had been laid. The work on the new portion of the line is much superior to that on the older; they are using good sawed ties and 56-pound rails.

The region from this southern terminus of the main line is of a character much broken by water-courses, ranges of hills and mountains, and some portions of construction will be very difficult and expensive.

Upon the line, as far as selected, there will be a section of 63 miles in length from Roseburg south, in the valleys of the South Umpqua and Cow Creek, showing maximum grades of 53 feet per mile, and very heavy curvature, with 10 degrees as maxima. From the end of this section to the valley of the Rogue River, a further distance of 40 miles, three mountain ranges have to be traversed. The maximum grade on this division will be 116 feet per mile, and of curvatures likewise 10 degrees.

The plan is to build southwardly to the line of division between California and Oregon, there to connect with the California and Oregon Railroad, which is being extended north under the auspices of the Central Pacific as its "Oregon division." The junction of these two roads is expected to occur in the latter part of 1883, and it is fairly assumed that sufficient business will naturally be attracted to this route to cause a fair and early return on the investments.

The road on the west side of the Willamette, from Corvallis to Portland, was inspected upon the return trip.

From Albany Junction to Corvallis, a distance of 11 miles, the journey had to be made by wagon.

The road from Corvallis to McMinnville, a distance of 47 miles, is in most excellent condition, good rails and ties and broken rock ballast the whole distance, making a safe track for both rapid and heavy trains.

From McMinnville to Portland, 50 miles, the track needs better material of all kinds, and assurances have been given that this section of the road would receive attention at the earliest practicable moment. It is indeed to be hoped that the efforts of the present management may meet with success, in the endeavor to improve and better the property and business of this company.

The road runs through the rich and productive Willamette Valley, whose soil seems as fertile after years of continuous self-same crop raising, as at the beginning. There is rarely a failure in the crops, and the yield is extraordinary.

Properly managed, although built at a heavy expense, the local and through business of the road, after its junction with the California line should be more than self-supporting.

From the latest financial returns made to this office, at the date of writing, the following statement is submitted, showing the assets and liabilities, December 31, 1881:

LIABILITIES.	
First-mortgage bonds	\$6,000,000 00
Other funded debt	51,750 00
Interest on other funded debt	20,035 51
Pay-rolls and vouchers	39,724 25
Bills and accounts payable	1,694,673 38
Total debt	7,806,183 14
Capital stock	19,000,000 00
Total stock and debt	26,806,183 14
ASSETS.	
Cost of road and fixtures	12,814,147 08
Equipment	815,764 93
Real estate	748,878 23
Cash and material on hand	97,314 24
Bills and accounts receivable	5,052,523 87
Total	19,528,628 35
Profit and loss ("capitalized debt")	7,277,554 79

Following is a statement showing the earnings and expenses of the road for the fiscal years ending June 30, 1881 and 1882:

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger	\$217,558 29	\$232,512 72	Increase ..	\$85,045 57	36.57
Freight	532,599 27	331,136 40	Increase ..	201,462 87	60.54
Mail	24,513 73	22,686 87	Increase ..	1,826 86	8.05
Express	13,800 00	13,950 00	Increase ..	750 00	5.74
Miscellaneous	46,706 56	15,397 83	Increase ..	31,308 73	203.33
Total	935,177 85	614,783 82	Increase ..	320,394 03	52.11
EXPENSES.					
Transportation	109,103 75	37,940 96	Increase ..	11,162 79	11.89
Maintenance of way	403,799 84	203,003 26	Increase ..	200,796 58	98.91
Motive power	86,480 78	63,746 44	Increase ..	22,734 34	35.82
Maintenance of cars	33,418 23	20,388 33	Increase ..	13,029 90	63.90
General expenses and taxes	76,944 46	106,200 84	Decrease ..	29,256 38	27.59
Total	709,747 06	491,279 83	Increase ..	218,467 23	44.46
Net earnings	225,430 79	123,503 99	Increase ..	101,926 80	82.52
Average miles operated	310	281.33	Increase ..	28.67	10.19
Earnings per mile	\$3,016 70	\$2,185 27	Increase ..	\$831 43	38.04
Expenses per mile	2,289 50	1,746 27	Increase ..	543 23	31.10
Net earnings per mile	727 20	439 00	Increase ..	288 20	65.64

MISSOURI PACIFIC RAILWAY COMPANY.

This "system" is composed of the following roads, each of which will be treated of in their respective order, so far as they may come within the purview of this bureau:

	Miles.
Missouri Pacific Railway:	
Main line, Saint Louis to Omaha	496
Branches and extensions	512
Total Missouri Pacific proper	1,008
Missouri, Kansas and Texas Railway:	
Main line, Hannibal to Denison	575
Branches and extensions	726
Total	1,301
Central Branch Union Pacific:	
Main line, Atchison to Lenora	293
Branches and extensions	95
Total	388
Total main line, branches, and divisions	2,697

In addition to the above, there is embraced in the "system" and controlled by the management the following:

Saint Louis, Iron Mountain and Southern Railway:	
Main line, Saint Louis to Texarkana	490
Branches and extensions	330
Total	820
Texas and Pacific Railway:	
Texarkana to El Paso	869
Eastern division branches	279
New Orleans division	332
Total	1,480

International and Great Northern Railroad (not aided either in lands or bonds):	
Gulf division, Longview to Houston	232
Branches and divisions	118
	— 350
San Antonio Division :	
Main line, Palestine to Laredo	415
Round Rock to Georgetown	10
	— 425
	775
	—
Total mileage embraced in system	5, 772

MISSOURI PACIFIC RAILWAY.

The company to which the Missouri Pacific was successor was incorporated by charter approved March 12, 1849, under the name of the Pacific Railroad Company, with a capital of \$10,000,000 to build a road from Saint Louis to Jefferson City, and thence to the western boundary of the State.

To aid in the construction of this work Congress made a grant of land equal to 3,840 acres to the mile—in all 1,161,204 acres.

The southwest branch was taken possession of by the State in 1866, for non-payment of interest on subsidy granted by the State (\$7,000,000), and sold to the Atlantic and Pacific Railroad Company, which company, in 1872, leased the line of the original company.

The two roads were operated under one management until 1876, when the Pacific road was sold under process of foreclosure of the third mortgages and conveyed to the present company.

The main line from Saint Louis to Kansas City was gone over on the regular trains, and no particular chance to make detailed observations was accorded.

The line from Kansas City to Omaha, on the west side of the Missouri, had just been completed when passed over by the officers of this bureau. Good rails and ties were used, but the grading and ballasting (with "gumbo") should be covered with a liberal depth of gravel or broken rock to bring the track up to a fair and safe standard.

No reports have been received from the company on the business and condition of this road, but only reports for the Missouri, Kansas, and Texas; Central Branch Union Pacific, and Saint Louis Iron Mountain and Southern. The Texas and Pacific Company make an annual sworn report as required by law, a copy of which is printed as Appendix 13.

MISSOURI, KANSAS AND TEXAS RAILWAY (KANSAS AND TEXAS DIVISION).

This road, which has now lost its identity, is operated by the Missouri Pacific as its "Kansas and Texas Division." Inspection was made in May last of only a part of the road from Sedalia, Mo., to Vinita, Ind. T.

On the land-grant portion the maximum grade is 61 feet to the mile, the sharpest curve being only five degrees. A few miles are ballasted with stone, but the principal part of the road is kept up in fair shape with earth. Some steel rails, of 52 pounds to the yard, have been placed in the track, and the cross-ties are principally of cedar and oak.

The bridges are apparently light, although well protected by inner iron guard rails, the approaches being well and solidly filled in with rock ballast. Those which have been rebuilt are very good, and of a

better and more substantial character. Station buildings are mostly ordinary wooden structures, but are sufficient for the present business.

The road having been absorbed by the Missouri Pacific system, reports to this office have only been made as to its earnings and expenses, from which the following statement is compiled:

Comparative statements of earnings and expenses.

	Fiscal year end- ing June 30, 1882.	Fiscal year end- ing June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$1, 214, 669 24	\$879, 195 13	Increase..	\$335, 474 11	38.15
Freight.....	4, 304, 570 81	3, 272, 050 70	Increase..	1, 032, 520 11	31.55
Mail.....	135, 507 79	119, 010 65	Increase..	16, 497 14	13.86
Express.....	105, 035 88	67, 675 00	Increase..	37, 360 88	55.29
Miscellaneous.....	66, 701 28	58, 631 76	Increase..	8, 069 52	13.76
Total	5, 826, 484 98	4, 396, 503 24	Increase..	1, 429, 921 74	32.52
EXPENSES.					
Transportation.....	1, 021, 202 27	590, 959 24	Increase..	430, 243 03	72.80
Maintenance of way.....	1, 358, 713 30	682, 578 85	Increase..	696, 134 45	105.06
Motive power.....	1, 016, 404 71	629, 088 48	Increase..	387, 316 23	61.56
Maintenance of cars.....	339, 030 11	239, 580 14	Increase..	99, 449 97	41.51
General and taxes.....	118, 325 53	117, 007 31	Increase..	1, 318 22	1.12
Total operating	3, 853, 675 92	2, 239, 214 02	Increase..	1, 614, 461 90	72.09
Net earnings.....	1, 972, 809 06	2, 157, 349 22	Decrease..	184, 540 16	8.55
Average miles operated	885 36	809 04	Increase..	76 32	9.43
Gross earnings per mile	6, 580 92	5, 434 29	Increase..	1, 146 63	21.09
Operating expenses per mile.....	4, 352 67	2, 767 74	Increase..	1, 584 93	57.26
Net earnings per mile.....	2, 228 25	2, 666 55	Decrease..	438 30	16.43

SAINT LOUIS, IRON MOUNTAIN AND SOUTHERN RAILWAY.

This company was formed in 1874 by the consolidation of the Saint Louis and Iron Mountain; the Arkansas Branch; the Cairo and Fulton, and the Cairo, Arkansas and Texas railroads.

During the past year the greater part of the capital stock of the Saint Louis, Iron Mountain and Southern Railroad Company was purchased by the Missouri Pacific Railroad Company, three shares of the latter being exchanged for four of the former. The object of this purchase is to effect an ultimate consolidation of the two companies.

The gauge was formerly 5 feet, but was changed to the standard 4 feet 8½ inches, on June 29, 1879.

The road was gone over in the latter part of last May; track was good, but in some places very much out of line, owing to long and heavy rains. Where no rock or gravel was used, the dirt road bed was very much softened and had been washed away in many places.

It is the intention of the company to ballast the entire line as rapidly as possible with stone or gravel; also to increase the present number of cross-ties to 3,000 per mile.

The greater portion of the road is laid with 60-pound steel rails, and split rail switches are used.

The bridges are well protected with wooden guard rails, and the approaches to the same are solidly filled in with rock ballast.

The principal freight traffic of the road consists of cotton and iron ore shipments.

The Hot Springs Railroad, 3½ feet gauge, running from Malvern to Hot Springs, Ark., was gone over. The track is good, rolling-stock fair, and business profitable. The road, which is only 25 miles long, has good working arrangements with the Iron Mountain Road, and although operated separately is classed as a branch of it. The traffic over this short line is reported as being good the year round.

Two hundred and sixty-five acres of land (which includes all of the hot springs) are reserved by the government.

On June 30, 1882, Congress appropriated the sum of \$100,000 for the erection of an Army and Navy hospital on the government reservation at or near the Hot Springs. An appropriation was also made for the improvement of Hot Springs Creek, and for other improvements upon the Hot Springs Mountain Reservation.

These celebrated springs, in which the government has a large interest, attract a large passenger traffic over the road, which, with a very considerable cotton shipment, renders it an important feeder to the main stem.

Heavy rains just before the inspection had caused serious washouts of track and bridges, which were being promptly repaired.

The following statement has been compiled from monthly reports rendered to this office by the Missouri Pacific Company, showing the earnings and expenses for the years ending June 30, 1881 and 1882, of the Saint Louis, Iron Mountain and Southern Railway.

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$1,447,535 65	\$1,437,540 86	Increase....	\$9,994 79	.69
Freight.....	5,501,914 95	5,143,780 80	Increase....	358,134 15	6.46
Mail.....	145,308 35	108,040 52	Increase....	37,267 83	34.49
Express.....	161,027 72	164,838 34	Decrease....	3,810 62	2.31
Miscellaneous.....	95,326 98	128,339 88	Decrease....	33,012 90	25.72
Total.....	7,351,113 65	6,982,540 40	Increase....	368,573 25	5.27
EXPENSES.					
Transportation.....	1,327,928 21	1,412,963 25	Decrease....	85,035 04	6.01
Maintenance of way.....	1,352,150 18	1,683,693 67	Decrease....	331,543 49	19.68
Motive power.....	961,671 97	1,029,772 89	Decrease....	68,100 92	6.61
Maintenance of cars.....	291,454 04	328,191 14	Decrease....	36,737 10	11.19
General, and taxes.....	252,367 46	227,899 71	Increase....	24,467 75	10.73
Total.....	4,185,571 86	4,682,520 66	Decrease....	496,948 80	10.61
Net earnings.....	3,165,541 79	2,300,019 74	Increase....	865,522 05	37.63
Average miles operated.....	713.83	684.50	Increase....	29.33	4.28
Earnings per mile.....	\$40,208 12	\$10,200 93	Increase....	\$97 19	.95
Expenses per mile.....	5,863 54	6,840 79	Decrease....	977 25	14.28
Net earnings per mile.....	4,434 58	3,360 14	Increase....	1,074 44	31.98

CENTRAL BRANCH UNION PACIFIC.

This road was originally organized under the corporate title of the Atchison and Pike's Peak Railroad Company, February 11, 1859. It was provided for as one of the branches of the Union Pacific in the act incorporating that company, and received a grant of lands from the United States amounting to 245,166 acres, of which 187,607.99 have been patented.

In addition to this, the government loaned the company bonds to the amount of \$1,600,000, or \$16,000 per mile from Atchison to Waterville, Kans., a distance of 100 miles.

The road practically belongs to the Union Pacific Railway Company, but is operated by the Missouri Pacific as its "Central Branch Division."

Inspection of this property was made during the latter part of August last.

The line owned and operated is 100 miles in length, from Atchison to Waterville, Kans., in addition to which there are leased of the Atchison, Colorado and Pacific Railroad Company 252.3 miles, and of the Atchison, Jewell County and Western Railroad Company, 33.8 miles, making a total of 386.1 miles.

The road runs through a comparatively new country, which is being settled up gradually. Improvements on the line are rather meager; the rails are all of iron, but in some places old chairs are being replaced with splice bars.

The equipment of this division consists of 31 engines, 15 passenger cars, 8 baggage, mail, and express cars, and 578 freight cars. The following improvements have been made during the year: Nine miles of track were ballasted with stone and 11 miles with gravel; 33 miles of new iron rails were laid; 2 miles of new side tracks put in, and the masonry of 21 culverts renewed. On September 30, 1882, there were 20 miles of rock and 19½ miles of gravel ballast in the subsidized portion of the road.

Fourteen wooden Howe truss bridges, aggregating a length of 1,420 feet single track, one of 54 feet, double track, and one iron three-girder, double-track bridge of 54 feet are the principal features relative to bridging.

From reports rendered the following statement has been prepared, showing the earnings and expenses of the subsidy portion of the line:

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		Per cent
			Increase or decrease.	Amount.	
EARNINGS.					
Passenger.....	\$111,580 11	\$93,737 07	Increase..	\$17,843 04	19.03
Freight.....	509,603 59	381,900 40	Increase..	127,703 19	33.46
Mail.....	11,342 44	11,342 45	Decrease..	11 01	0.10
Express.....	3,104 23	2,332 53	Increase..	771 70	33.08
Miscellaneous.....	17,480 82	15,769 77	Increase..	1,711 05	10.85
Total.....	453,111 10	505,142 22	Decrease..	52,031 12	10.39
EXPENSES.					
Transportation.....	73,317 23	64,045 07	Increase..	9,272 16	14.47
Maintenance of way.....	125,248 83	111,525 55	Increase..	13,723 28	12.31
Motive power.....	94,737 93	88,733 74	Increase..	6,004 19	6.77
Maintenance of cars.....	27,414 05	22,187 17	Increase..	5,226 88	23.56
General expenses and taxes.....	8,492 99	12,331 33	Decrease..	3,838 34	31.10
Total.....	329,211 04	301,802 86	Increase..	27,408 18	9.04
Net earnings.....	123,900 06	203,339 36	Decrease..	79,439 30	39.08
Average miles operated.....	100 00	100 00			
Earnings per mile.....	\$1,239 00	\$2,033 39	Decrease..	\$794 39	39.08
Expenses per mile.....	\$3,292 01	\$3,018 92	Increase..	\$273 09	9.04
Net earnings per mile.....	1,239 10	2,032 49	Decrease..	793 39	39.08

TEXAS AND PACIFIC RAILWAY COMPANY

Chartered in 1853 by the State of New York under the title of Atlantic and Pacific, changed to Texas Western; afterwards, in 1856, to the Southern Pacific; and on March 3, 1871, the Congress of the United States approved an act chartering the company under its present title.

The present company acquired the properties of the Southern Pacific, the Southern Transcontinental, and the Memphis, El Paso, and Pacific Railroad Companies.

The Southern Pacific Railroad Company was a consolidation of the Vicksburg, Shreveport and Texas, chartered in Louisiana, and the Southern Pacific, organized under the laws of Texas. That portion of the line in Louisiana, about 20 miles, was built by the Vicksburg, Shreveport and Texas Company; the section of the road from the east line of Texas to Longview, Tex., about 40 miles, by the Southern Pacific Company. The rest of the line in Texas was built by the present company.

The capital stock authorized is \$50,000,000, of which \$28,127,700 has been issued and paid up.

The act of March 3, 1871, section 13, requires that the president of the company shall annually make a sworn statement to the Secretary of the Interior, exhibiting the financial condition, receipts and expenditures, number of miles of road constructed, &c. This report has been received, a copy of which is submitted as Appendix 13.

The operations of this company during the year ending June 30, 1882, have been extensive in the enlargement and addition to its property, as evidenced by the fact that during that period 569 miles of track have been built, showing at the close of the fiscal year 1,389.87 miles of road; also in adding to the equipment 37 engines, 18 passenger cars, 933 freight cars; showing the equipment on June 30, 1882, to be 121 engines, 85 passenger and 2,942 freight cars, and 51 miscellaneous cars.

There is a decided improvement in the appearance of the new track over the older portion, better material being used, and a wiser intelligence exercised in its construction. The road extends as far west as Sierra Blanca, Texas, from which point it has the use of the joint track of the Southern Pacific and the Galveston, Harrisburg and San Antonio Companies to El Paso, a distance of 92 miles.

The road generally passes through a fine stock-grazing country, until within some one hundred miles east of the Guadalupe Mountains, where the soil is barren and dry, with large quantities of alkali upon the surface. The want of good water is severely felt over a considerable portion of the road, but an effort to overcome this is being made by sinking artesian wells. On the western division of the road water has to be carried on tank-cars for long distances for supplying engines.

Much trouble is experienced on account of the water being so heavily charged with alkali, which not only causes the boiler to "foam" so badly that the engineer cannot ascertain the height of the water, consequently imperiling the safety of the train, but creates a deposit on the tubes which renders it difficult to raise steam sufficient for heavy trains and makes it necessary to clean them after every round trip. It also destroys the iron tubes, causing great inconvenience and expense. Many of the roads are making experiments with a view of testing the expediency of substituting copper for iron in the construction of boilers.

The country along the line of the new road is rapidly developing. One town, Colorado, in Mitchell County, where less than two years ago there was not a house, now claims 1,000 inhabitants, and is the largest live-stock shipping point on the road.

The equipment of the company is entirely insufficient for the accommodation of its business. Many train loads of grain from California are being shipped over this newly opened line, the traffic calling for more cars than the supply. Live stock is being driven in from ranches for hundreds of miles, and awaiting facilities for shipment. Hundreds of car-loads of grain were waiting for movement, on account of lack of sufficient motive power. Every wheel on the road is in constant demand, and the volume of business seems to be limited only by the facilities for taking care of it.

It is proposed to increase the equipment as rapidly as possible, until a sufficient amount shall have been obtained to enable the company to handle with dispatch the rapidly increasing freights offered for shipment. Convict labor in gangs of from 50 to 100, white and colored, is employed by contract with the lessees of the State prison, and roadmasters say that they work well, as compared with other section labor, which is mostly colored. They receive the regular rate of pay, *i. e.*, \$1.15 per day. The lessees of whom they are hired, guard and feed them, whilst the railroad foreman or superintendent directs the work.

Land grant.—By a general law of Texas this road, in common with others in the State, is entitled to a land grant of 16 sections (10,240 acres) to the mile.

The act of March 3, 1871, granted the company 40 sections per mile in the Territories, and 20 sections per mile in California; but the Texas and Pacific Railway Company has as yet constructed no road in the Territories or the State of California.

From the sworn statement of the company heretofore mentioned, the following showing of the financial condition on June 30, 1882, is submitted:

Financial condition of the Texas and Pacific Railway Company, June 30, 1882.

Capital stock:

Authorized	\$50,000,000 00
Issued	28,127,700 00
Full paid	28,127,700 00

LIABILITIES.

First mortgage, eastern division bonds	\$3,969,000 00
Consolidated eastern division bonds	9,131,000 00
Income and land grant eastern division bonds	8,784,000 00
First mortgage, Rio Grande division	13,028,000 00
Old land bonds	62,000 00
	<hr/>
	34,974,000 00
First mortgage New Orleans Pacific bonds	6,270,000 00
School fund loan, State of Texas	174,518 84
Fractional bond scrip, income bonds	17,382 71
Interest scrip income and land bonds, redeemable only in capital stock or land	944,290 00
Fractional land scrip	\$1,354 06
Old interest scrip	595 00
	<hr/>
	1,949 06
Accrued interest on bonds to July 1, 1882	465,225 00
Coupon New Orleans Pacific bonds due July 1, 1882	129,680 00
	<hr/>
Total debt	42,977,115 61
Capital stock	28,127,700 00
	<hr/>
Total stock and debt	71,104,815 61

ASSETS.

Securities in treasury	\$1,141,531 06
Cash in treasury	120,102 05
Material on hand	340,111 61
Accounts receivable	\$774,928 47
Less accounts payable	376,009 07
Capital stock New Orleans Pacific Railway Company	398,919 40
Construction accounts representing 1,050 miles of constructed and equipped road	6,130,200 00
Property account, real estate, &c	51,539,539 18
	41,361 72
	<u>59,711,765 02</u>
Deficit	11,393,050 59

Also, about 4,793,885 acres of land in the State of Texas, a portion only of which has been valued.

Receipts from all sources, and how applied, for the year ending June 30, 1882.

By amount on hand June 30, 1881	\$664,699 79
By receipts from—	
Freight	3,165,724 67
Passengers	982,160 63
Mails	85,204 46
Express	93,306 97
Rentals	49,930 89
Traffic contracts	139,393 02
Miscellaneous	13,284 98
Interest	459,675 00
Bonds, &c	6,650,069 00
Capital stock	13,202,700 00
Land accounts	329,010 91
Accounts, collectible	41,122 42
Total	<u>25,876,282 74</u>

To payments for—	
Conducting transportation	977,225 43
Motive power	1,379,911 13
Maintenance of way	1,280,130 85
Maintenance of cars	283,107 41
General expenses	156,660 02
Taxes	51,920 04
Rentals	22,875 00
Interest on bonds	1,637,085 00
Property and franchises	11,121,892 80
Bonds and stocks	2,886,774 56
Premium and discount	682,896 41
Car service	78,114 50
Sundry accounts	4,153,628 23
Balance on hand June 30, 1882:	
Cash	\$120,102 05
Material	340,111 61
Due from sundries	703,857 70
	<u>1,164,071 36</u>
	<u>25,876,282 74</u>

Comparative statement of earnings and expenses for the fiscal years ending June 30, 1881 and 1882, respectively.

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$992, 180 63	\$712, 593 73	Increase..	\$280, 586 90	37.82
Freight.....	3, 305, 117 69	2, 500, 083 26	Increase..	805, 034 43	32.20
Mail.....	85, 204 46	54, 480 77	Increase..	30, 723 69	56.38
Express.....	93, 306 97	49, 245 16	Increase..	44, 061 81	131.84
Miscellaneous.....	63, 215 87	23, 765 30	Increase..	39, 450 57	166.09
Total.....	4, 529, 005 62	3, 331, 168 16	Increase..	1, 197, 837 46	35.95
EXPENSES.					
Transportation.....	1, 055, 339 93	675, 907 19	Increase..	379, 432 74	56.13
Maintenance of way.....	1, 280, 130 85	1, 069, 457 59	Increase..	210, 673 26	19.69
Motive power.....	1, 379, 911 13	615, 119 00	Increase..	764, 801 13	124.33
Maintenance of cars.....	283, 107 41	198, 951 61	Increase..	84, 155 77	42.29
General expenses and taxes.....	231, 455 06	208, 950 31	Increase..	22, 504 75	10.76
Total.....	4, 429, 944 38	2, 788, 376 73	Increase..	1, 641, 567 65	60.01
Net earnings.....	99, 061 24	562, 791 43	Decrease..	463, 730 19	82.41
Average miles operated.....	1, 092.00	692.00	Increase..	400.00	81.30
Earnings per mile.....	\$4. 147 44	\$5. 332 50	Decrease..	\$1. 380 06	25.04
Expenses per mile.....	4. 056 73	4. 595 63	Decrease..	. 531 90	11.76
Net earnings per mile.....	90 71	994 87	Decrease..	844 16	903.69

Whilst gross earnings show an increase of 35.95 per centum over the year previous, the net earnings have decreased 82.41 per cent., the operating expenses having increased 60 per cent.

The secretary of the company, in a letter accompanying the report, says:

Permit me to state in this connection that the business of our road for the year ending June 30, 1882, was largely taken up with the transportation of material for the construction of the Rio Grande division, which, owing to the importance of completing that part of the line to a connection of the Southern Pacific at El Paso as speedily as possible, was given the right of way over other traffic and heavily taxed the resources of the road.

This material was charged at less than the cost of its transportation; the expenses of operation therefore appear disproportionately high.

ATLANTIC AND PACIFIC RAILROAD COMPANY.

This company was chartered July 27, 1866, for the purpose of constructing a road on the 35th parallel from Springfield, Mo., to the Pacific Ocean, a distance of about 2,000 miles.

That portion of the road between Springfield and the western border line of Missouri is now owned by the Saint Louis and San Francisco Railway Company.

The present Atlantic and Pacific Railroad proper is being built from Isleta, N. Mex., westwardly. The operating offices are located at Albuquerque, as are also the principal shops and engine houses. From thence to Isleta, a distance of 12 miles, the track of the Atchison, Topeka and Santa Fé Company is in joint use.

To aid in the construction of this road, the United States made a grant

of land to the company of 12,800 acres to the mile in the States and 25,000 acres per mile in the Territories, and 550,029.08 acres had been patented to June 30, 1882.

As stated in last year's report, a tripartite agreement was entered into in 1880, whereby the road was to be built from Albuquerque westwardly under the auspices of the Atchison, Topeka and Santa Fé and the Saint Louis and San Francisco companies—

Which have entered into a traffic agreement with the Atlantic and Pacific Railroad Company, pledging the appropriation of so much of the gross earnings derived from traffic interchanged by each with the western division of the Atlantic and Pacific Railroad Company, up to 25 per cent. of the same, as may be necessary to meet any deficiency in interest upon the first mortgage 6 per cent. bonds of that company, issued and to be issued, to the extent of \$25,000 per mile.

This appropriation is regarded in the nature of a loan, returnable by the Atlantic and Pacific Company with interest.

The road from Albuquerque to Cañon Diablo was gone over in the early part of June, 1882, being a distance of 312 miles, and, for a new track, found to be in excellent condition.

In some places the course of the stream is being turned by throwing up strong embankments from one to two hundred feet from the track. At the time of making this inspection the beds were all dry, but serious and extensive washouts had occurred, which had, however, been repaired at a cost of some three hundred thousand dollars.

Just east of Laguna the company had built a fine timber and piling work, supported and braced with stone, to prevent the washing away of the track during the rainy seasons. This was rendered absolutely necessary on account of the very soft soil, which readily yields to the washing of the streams.

There is a fine, large stone quarry 194 miles from Albuquerque, between Allantown and Sanders stations, which is being vigorously worked by the company, the material being used for ballast and riprapping the banks of the Rio Puerco River, along which the road runs for a number of miles, and crosses the stream frequently.

Grass grows abundantly along this valley, and the soil has the appearance of being susceptible to farming with good results, but water is very scarce.

At Bluewater Station, 107 miles out, there is a splendid water-tank, which is supplied by a spring in the hills, 4 miles off. At Cubero they also have a water-tank, which is supplied by springs from the lava-beds just above. At other points along the line are fine standard tanks, mostly supplied by wells; but at Winslows, 286 miles out, a well has been driven 1,200 feet without finding any water.

The company is erecting first-class station houses, 2 stories high, with conveniences for living in the upper portion, the object being to prepare for the accommodation of business, and to induce married men to enter the service as agents, bringing their families with them.

Over one year ago the company was buying its coal at the Atchison, Topeka and Santa Fé Railroad Company's mines near Raton, N. Mex., at a cost of about \$8.75 per ton, but efforts to secure a supply of fuel from mines along the company's own line of road proved eminently successful, and they are now getting their entire fuel supply from mines near Fort Wingate, at a maximum cost of \$4.50 per ton.

Thus far the mines have been worked by private parties, and the coal hauled to the track by wagon, but it is thought that by building short spur tracks to these mines the price will be considerably reduced.

Considerable terminal improvements have been made at Albuquerque during the year, consisting in part of a two-story general office building of adobe, with fire-proof vaults of large capacity (the interior of the building is handsomely finished and furnished), a machine-shop 125 by 125, a blacksmith-shop 80 by 125, a store-house, an oil-house, and an engine-house (six stalls), all built of stone with slate or iron roofs.

At the time this inspection was made, the company had on hand and ready for immediate use 20,000 tons of 56-pound steel rails, and 475,000 cross-ties. Two hundred miles of track were graded and ready for rails and ties, west of Cañon Diablo, and a 300-foot tunnel completed.

The change in location and plans of the bridge at this noted chasm delayed the delivery of the iron work, and the bridge was not completed until the latter part of June or beginning of July. Since its completion the company has forwarded material and rapidly extended its track 96 miles beyond Cañon Diablo, leaving a gap from there to "The Needles," on the Colorado River, of 157 miles, where it is expected to connect with the Atlantic and Pacific branch of the Southern Pacific Railroad, now being rapidly constructed from Mojave east.

The bridge across Cañon Diablo is a fine structure, and reflects much credit on the builders. It is a deck-bridge, composed of plate-iron girders resting upon trestle bents, with heavy columns of channel-iron, strongly braced.

The sides of the cañon are of solid limestone, from which the material for the masonry work was obtained, and these stone foundations present a picture of perfect workmanship. The masonry was done by the company's men, the iron work by contract.

The base of the rail is 222½ feet above the bottom of the cañon; the total length of the bridge is 541 feet, composed of 11 spans, one 30 feet, one 30½ feet, six 40 feet, one 40½ feet, and two 100 feet each. There are 1,489 cubic yards of cut-stone masonry, strongly bonded and laid in cement, and 39½ yards of concrete. The cost of the bridge and masonry is about \$200,000.

The President of the United States has at different times appointed commissioners to examine sections of the completed road, and 200 miles, or 8 sections of 25 miles each, have been examined and accepted. Commissioners have recently been appointed, and will probably examine 200 miles more.

The company reports to this office its financial condition on June 30, 1882, as follows:

Old construction, assumed January 1, 1880, by new organization.

LIABILITIES.

Funded debt.....	\$1,986,534 00
Bills payable.....	681,663 83
Other obligations.....	834,881 26
Total debt	3,503,079 09
Capital stock.....	19,760,300 00
Total stock and debt	23,263,379 09

ASSETS.

Construction.....	\$21,746,834 00
Accounts receivable.....	834,881 26
Income, or profit and loss.....	681,663 83
Total	23,263,379 09

Work of the reorganization.

LIABILITIES.

Funded debt	\$20,162,084 00
Interest on same	1,830 00
Pay-rolls	17,682 64
Bills and accounts payable	1,116,345 01
Income, or profit and loss	186,509 55
Total	21,491,451 20
Capital stock	31,750,000 00
Total stock and debt	53,241,451 20

ASSETS.

Construction	\$52,613,560 64
Cash	469,054 51
Land department	15,368 57
Income, or profit and loss	143,467 48
Total	53,241,451 20

Consolidated balance-sheet.

LIABILITIES.

Funded debt	\$22,155,618 00
Interest on same	1,830 00
Pay-rolls	17,682 64
Bills and accounts payable	1,798,008 84
Other obligations	834,881 26
Income, or profit and loss (new)	186,509 55
Total	24,994,530 29
Capital stock	51,510,300 00
Total stock and debt	76,504,830 29

ASSETS.

Construction	\$74,360,394 64
Cash	469,054 51
Land department	15,368 57
Accounts receivable	834,881 26
Income, or profit and loss	825,131 31
Total	76,504,830 29

SAINT LOUIS AND SAN FRANCISCO RAILWAY COMPANY.

The Saint Louis and San Francisco Railway Company is successor to the southwest branch of the Pacific Railroad of Missouri, chartered December 25, 1852.

For the construction of this branch the company received a grant of 1,161,235.07 acres of public lands, and the State, in addition, loaned the company \$4,500,000 of its bonds. Failure to pay the interest on the same caused the company's southwestern branch to be sold in 1866 for \$1,300,000, and conveyed to a new company formed August 17, 1866. The new company failing to comply with its contract in the matter of construction, the road was again sold in 1868 for the sum of \$300,000, to purchasers who were incorporated as the South Pacific Railroad Company, which completed the road to Lebanon in 1869, and to Springfield and Pierce City in 1876. The road was sold to the Atlantic and Pacific Railroad Company in October, 1870, which completed the road to Vinita, Indian Territory, 364 miles from Saint Louis, where it now

connects with the Missouri, Kansas and Texas Railroad (now the Kansas and Texas division of the Missouri Pacific Railway).

After undergoing a number of changes, a scheme for the reorganization of the company, as it at present exists, was entered into, as follows:

A first preferred stock to be created, to be entitled to 7 per cent. annual dividends, after the payment of all expenses, improvements, and interest on funded debt, and to be issued for \$4,500,000, or sufficiently to provide for all past due coupons on land mortgage, second mortgage and income bonds, and unsecured bonds and scrip.

A second preferred stock of \$10,000,000, to be created, entitled to an annual dividend of 7 per cent. after all its expenses, interest, dividend on first preferred stock, and to be exchanged for outstanding preferred stock of Atlantic and Pacific Railway Company. The \$10,500,000 common stock to be exchanged for common stock of the Atlantic and Pacific Company.

At the annual meeting held in Saint Louis March 14, 1882, the stockholders voted to approve of the execution of a new \$30,000,000 mortgage, and also authorized the completion of the consolidation of the leased roads with the main line.

The Saint Louis and San Francisco Railway Company is equally interested with the Atchison, Topeka and Santa Fé Railroad Company in the construction of the Atlantic and Pacific Railway west from Albuquerque, N. Mex.

Inspection of the line from Vinita, Ind. T., was made in May last, and a healthy improvement noticed in track and bridges.

At the close of 1881 the total miles operated by the company were 695, of which 457½ miles were laid with 52 and 56 pound steel rails.

During 1881, 46½ miles of steel rails, 56 pounds to the yard, were laid in the main line; 102 sets of switch timbers and 67 split switches were placed in the track; also 154,751 new cross-ties were put in.

Arrangements have been made for an expenditure of \$3,000,000 for extending the main line of the road from Pacific Station to Saint Louis, a distance of 37 miles, which will embrace the cost of right of way, building the road, and about \$1,000,000 for real property and improvements in Saint Louis. The company is at present using the track, between these two points, of the Missouri Pacific Railway Company.

It is intended to make the track solid and substantial (67-pound steel rails will be laid and the bridges all constructed of iron), and it is thought that the completion of the work will add largely to the company's revenues and greatly increase its traffic.

From a detailed general balance sheet sent to this office, the following statement is made, showing the financial condition of the company on June 30, 1882:

LIABILITIES.

Funded debt.....	\$19,893,000 00
Interest on same.....	439,742 15
Dividends unpaid.....	144,749 50
Pay-rolls and vouchers.....	264,198 17
Bills and accounts payable.....	923,779 85
Total debt.....	21,665,469 67
Capital stock.....	25,000,000 00
Total stock and debt.....	46,665,469 67

ASSETS.

Cost of road and equipment.....	\$44,533,351 09
Cash and material on hand.....	453,498 64
Stock and bonds owned.....	1,618,908 97
Accounts and bills receivable.....	989,250 47
Total	47,595,009 17
Surplus.....	929,539 50

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$690,502 74	\$539,638 50	Increase..	\$150,864 15	27.94
Freight.....	2,331,252 93	2,398,715 49	Decrease..	67,462 56	2.79
Mail.....	77,036 79	64,180 83	Increase..	12,855 96	20.02
Express.....	59,961 32	51,378 90	Increase..	8,582 42	16.70
Miscellaneous.....	28,417 05	7,939 37	Increase..	20,477 68	257.93
Total.....	3,187,170 83	3,061,853 18	Increase..	125,317 65	4.08
EXPENSES.					
Transportation.....	403,417 59	339,239 98	Increase..	64,177 61	18.89
Maintenance of way.....	366,677 58	625,983 96	Decrease..	259,306 38	41.42
Motive power.....	95,670 55	339,244 04	Decrease..	234,573 49	71.01
Maintenance of cars.....	623,642 42	95,133 12	Increase..	528,509 30	55.55
General expenses and taxes.....	153,294 86	109,475 79	Increase..	43,819 07	40.03
Total.....	1,642,703 00	1,500,076 89	Increase..	142,626 11	9.46
Net earnings.....	1,544,467 83	1,561,776 29	Decrease..	17,308 46	1.08
Average miles operated.....	654.31	587.91	Increase..	66.40	11.24
Earnings per mile.....	\$4,871 04	\$5,208 03	Decrease..	\$336 99	66.45
Expenses per mile.....	2,510 59	2,551 54	Decrease..	40 95	1.56
Net earnings per mile.....	2,360 45	2,656 49	Decrease..	296 04	11.14

ATCHISON, TOPEKA AND SANTA FÉ RAILROAD COMPANY.

This company was incorporated March 3, 1873; and under the act of Congress approved February 9, 1864, granting lands to the State of Kansas, it is estimated by the General Land Office that it will be entitled to about 3,005,870 acres. On June 30, 1882, 2,745,938.47 acres had been patented, and the company had sold to December 31, 1881, 1,058,758.53 acres for \$6,087,720.03.

On December 31, 1881, the company was operating 1,789.67 miles of road.

The rolling stock added during the year was 94 locomotives; 94 passenger cars; 3,491 freight cars; 601 hand and push cars; and 10 miscellaneous cars, making total equipment at close of 1881, 251 locomotives, of which 77 have automatic break attachments; 194 passenger cars; 8,796 freight cars; 1,253 hand and push cars, and 26 miscellaneous cars.

There were accidents on the road during 1881 resulting in killing or injuring 282 persons, of which number 30 were killed and 252 were injured.

The lines of this company have been rapidly increasing, and at this date have been extended from Rincon, N. Mex., 52 miles east of Deming,

to El Paso, 77 miles south, where it connects with the Mexican Central Railway, which is completed as far south as Chihuahua, in Mexico. The company anticipates a profitable business as a result of this connection, the objective point of which is the city of Mexico.

It has also made running arrangements with the Central Pacific Company for the use of its Southern Pacific track from Deming to Benson, Ariz., a distance of 173 miles, from which point it has constructed its New Mexico and Arizona road, 95 miles south to Los Nogales, on the Mexican boundary line, where it connects with the Sonora Railway, which extends from that point via Hermosillo to Guyamas (270 miles in length), on the Gulf of California, in Mexico.

A favorable opportunity occurred for obtaining absolute control of the Sonora Railway, of which the directors of the Atchison, Topeka and Santa Fé Company availed themselves, and they believe that the purchase will prove a very desirable and profitable one in every particular.

From annual reports rendered to this office for the year ending December 31, 1881, the following is ascertained:

Financial condition.

LIABILITIES.

First-mortgage bonds	\$7,041,000 00
Other funded debt	13,469,000 00
Interest on other funded debt	709,386 59
Dividends unpaid	747,434 50
Bills and accounts payable	5,746,053 31
Total debt	27,712,874 40
Capital stock and scrip	47,162,700 00
Total stock and debt	74,875,574 40

ASSETS.

Cost of road and equipment	\$69,313,186 46
Cash and materials on hand	3,021,943 53
Other stocks and bonds	3,577,763 25
Due from the United States	834,018 29
Bills and accounts receivable	4,196,289 82
Total	80,943,201 35
Surplus	6,067,626 95

Following is a statement showing earnings and expenses of the road for the year ending June 30, 1882, as compared with the previous year ending June 30, 1881, showing a decided increase in all items:

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$3,634,023 53	\$2,112,063 33	Increase..	\$1,521,960 20	72.01
Freight.....	9,785,128 29	7,741,852 89	Increase..	2,043,275 40	26.04
Mail.....	246,602 60	154,672 49	Increase..	91,930 11	59.44
Express.....	278,921 04	170,485 44	Increase..	108,435 60	63.61
Miscellaneous.....	80,976 07	38,742 46	Increase..	42,233 61	109.00
Total.....	14,025,651 53	10,217,816 65	Increase..	3,807,834 88	37.21

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EXPENSES.					
Transportation.....	\$1,005,122 47	\$1,381,473 33	Increase ..	\$523,649 14	37.87
Maintenance of way.....	4,054,393 03	2,470,471 47	Increase ..	1,583,921 56	64.08
Motive power.....	1,818,115 37	1,464,048 14	Increase ..	354,067 23	24.18
Maintenance of cars.....	793,723 32	495,483 03	Increase ..	298,240 29	60.19
General expenses and taxes.....	307,195 48	245,302 81	Increase ..	61,892 67	25.19
Total.....	8,878,549 67	6,056,778 78	Increase ..	2,821,770 89	46.58
Net earnings.....	5,147,101 86	4,161,037 85	Increase ..	986,064 01	23.69
Average miles operated.....	1,644.33	1,526.75	Increase ..	117.58	7.66
Earnings per mile.....	\$8,529 70	\$6,692 52	Increase ..	\$1,837 18	27.45
Expenses per mile.....	5,399 49	3,967 10	Increase ..	1,432 39	36.09
Net earnings per mile.....	3,130 21	2,725 42	Increase ..	404 79	14.82

SOUTHERN PACIFIC RAILROAD COMPANY.

NORTHERN DIVISION.

Inspection of the property owned and operated by this company was made in July, 1882.

The length of road owned is 714.15 miles, of which it has leased to the Central Pacific Railroad Company 553.26 miles, leaving 160.89 as operated by this company.

The road is in excellent condition, and runs through a beautiful portion of California, notably that part through the Santa Clara Valley extending from San Francisco for 82 miles to Carnadero. Immense farms, yielding richly in grain, line the road on either side, and an extra quality of stock is raised in abundance.

The main line, which extends from San Francisco to Monterey, 125.1 miles, is almost entirely laid with steel rails, iron rails being used on the branches, and is entirely fenced.

Extensive warehouses, for storing and handling grain, are located at convenient points, and are said to answer all requirements.

Large buildings of this class are at San José, Castroville, and Salinas, the latter being 860 feet long by 58 feet wide.

The Pacific Improvement Company has erected at Monterey the "Hotel del Monte," a large and most admirably appointed hotel, which is situated in the center of beautifully improved grounds, and extensive arrangements have been made, at large expense, for supplying the premises with an ample quantity of water for irrigating and other purposes. A large and commodious bathing-house has also been provided. As the patronage of this resort is not confined to any particular season of the year, the road derives a corresponding increase in its business. A great variety of fish are caught in abundance in Monterey Bay and shipped to San Francisco.

At Soledad, the terminus of one of the branches, large shipments of stock are made to San José, the principal stock market for that section of the country.

There are few bridges upon the road, the principal one being across the Pajaro River, and consists of short trestle approaches to the main structure of two spans, 172 feet each, Howe truss pattern. Work has been commenced for the renewal of this bridge, which has been built about six years.

This company operates a short narrow-gauge road from Pajaro to Santa Cruz, a distance of 22 miles, which was found to be in good condition and doing a fair business.

There are 22 bridges on this branch, or an average of one per mile, some of them being very high, one 95 feet above the water. No guard-rails are used, with the single exception of a two-span Howe truss across a deep ravine, which is being strengthened, and is provided with inner iron guards. It is contemplated to increase this branch to the standard gauge at an early date.

The northern division of the Southern Pacific had ten accidents during the year ending June 30, 1882, resulting in death or injury to ten persons.

Three employes and four other persons were killed from their own carelessness, and one passenger, one employe, and one other person were injured from their own carelessness and misconduct.

From reports rendered to this office, the following statement of the financial condition of the company on June 30, 1882, has been compiled:

LIABILITIES.	
First-mortgage bonds	\$28,087,000 00
Interest on same	25,800 00
Pay-rolls and vouchers	64,739 89
Accounts payable	2,260,317 53
Total debt	30,437,857 42
Capital stock	36,763,900 00
Total stock and debt	67,201,757 42
ASSETS.	
Cost of road and fixtures	\$69,474,946 66
Equipment	1,903,911 92
Real estate	642,995 74
Cash and material on hand	377,797 82
Other stocks and bonds	425,000 00
Due from the United States	3,350 13
Bills and accounts receivable	2,603,086 48
Total	68,431,088 75
Surplus	1,229,331 33

The following is a comparative statement of the earnings and expenses for the fiscal years ending June 30, 1881 and 1882:

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger	\$502,200 07	\$451,782 32	Increase ..	\$50,417 75	11.15
Freight	654,187 33	602,434 40	Increase ..	51,752 93	8.59
Mail	12,400 56	12,400 56			
Express	13,562 09	12,428 15	Increase ..	1,133 94	9.12
Miscellaneous	1,679,918 89	1,680,166 40	Decrease ..	1,147 67	.06
Total	2,861,368 94	2,759,211 89	Increase ..	102,157 05	3.70
EXPENSES.					
Transportation	243,080 74	231,090 00	Increase ..	11,987 74	5.18
Maintenance of way	167,694 98	141,827 04	Increase ..	25,867 94	18.23
Motive power	169,738 93	176,160 52	Decrease ..	6,421 60	3.64
Maintenance of cars	49,690 14	44,575 86	Increase ..	5,114 28	11.24
General expenses and taxes	320,349 39	117,031 98	Increase ..	203,318 01	173.72
Total	950,560 78	710,694 41	Increase ..	239,866 37	33.75
Net earnings	1,910,808 16	2,048,517 48	Decrease ..	137,709 32	6.72
Average miles operated	726.96	726.96			
Earnings per mile	\$3,936 07	\$3,735 34	Increase ..	\$190 53	3.70
Expenses per mile	1,307 58	977 02	Increase ..	329 96	33.75
Net earnings	2,628 49	2,817 92	Decrease ..	189 43	6.72

* Includes rentals of lines leased to the Central Pacific.

SIOUX CITY AND PACIFIC RAILROAD COMPANY.

The road owned and operated by this company runs from Sioux City, Iowa, to the Missouri Valley Junction with the Chicago and Northwestern Railway, thence across the Missouri River to Fremont, Nebr., a distance of 107.42 miles. The company has leased, and is extending, the Fremont, Elkhorn and Missouri Valley Railroad, northwest from Fremont, of which it is now operating 254.37 miles, which, with side-tracks, aggregating 24.9 miles, makes total mileage operated by the company on June 30, 1882, 386.69.

Of the 107.42 miles owned, as above mentioned, 101.77 miles have been aided by the granting of 41,318.23 acres of land, all of which have been sold for a sum amounting to \$200,000, and also by a loan of United States bonds to the amount of \$1,628,320, running for a period of thirty years and maturing in March, 1898 and 1899. The accrued interest on same to June 30, 1882, but which is not due until the maturity of the principal, amounted to \$1,366,598.29, making the total debt \$2,994,918.29.

The financial condition and revenues of this corporation have not been and are not now as prosperous as could be desired, but the last year's operations and the preparations being made for future movements indicate much greater prosperity, which it is hoped may be realized, but which has not yet been attained.

The crossing of the Missouri River at Blair, Nebr., has been an expensive and burdensome load on the company, and has interfered very materially in its passenger and freight traffic. The treacherous and ever-shifting currents of the river, the ice blockades, and the consequent changing of the track approaches to the two transfer steamers, which are the only means of crossing, are soon to be done away with by the erection of a bridge at an estimated cost of \$1,000,000. That this will be a judicious expenditure is shown by the fact that the actual ferry expenses for the year ending June 30, 1882, amounted to \$67,782.37, which would pay nearly seven per centum on the investment.

Considering the importance of uninterrupted transfer during the whole year, and the consequent increase in the business of the road, it will readily be seen that the erection of the bridge is likely to be a judicious outlay.

The leasing and extension of the Fremont, Elk Horn and Missouri Valley Road will develop a fine stock and grain region, and probably mineral lands, which will be a source of much revenue to the company.

Only the road owned by the company was inspected. The entire lines operated are laid with 56-pound American iron rails, and 2,640 cross-ties to the mile.

The shops at Missouri Valley are supplied with fair machinery for ordinary repairs, no material additions having been made during the last year. The force is limited; materials are kept in neat order, with no apparent wastage, and a general tendency towards economy is manifest.

The track from Missouri Valley to Sioux City shows improvement over last year; the line is almost tangent, and the grade for many miles level, the average rise being 1.2 feet per mile, and the maximum curvature four degrees.

The cattle guards and bridges are in fair condition, but there are no guard-rails on either trestles or bridges. Owing to the moist and low ground over which the road passes, the weeds grow rank and rapidly, and have to be cut two or three times each season.

The company has been much harassed by stock getting on the track, but arrangements have been made and material bought for fencing the entire Iowa line with barbed wire of four strands. The money for this

purpose had to be raised outside the regular earnings, but it is thought that the interest on this loan will be much less than the average cost per year for stock killed and injured, and goods and persons damaged, and justifies the expenditure.

On the owned road there are 4 Pratt-truss and 126 pile bridges, aggregating 12,190 feet in length; 3 open culverts, and 136 cattle guards.

On June 30 the company owned 12 locomotives, of which 5 had Westinghouse air-brake attachment; 14 passenger coaches; 165 freight, and 111 hand, push, and other cars. On the same date it leased 16 engines, of which 4 had Westinghouse brake; 12 passenger, and 540 freight cars.

During the year ending June 30, 1882, there were accidents resulting in the death or injury to 44 persons, as follows: 2 employ  s and 1 other person were killed from their own carelessness or misconduct, making a total of 3 killed; 1 passenger, 33 employ  s, and 2 other persons were injured from their own carelessness or misconduct, and 5 employ  s from causes beyond their control, making a total of 41 injured.

From reports submitted to this office the following statement, showing the financial condition of the company June 30, 1882, has been prepared:

LIABILITIES.	
First mortgage bonds	\$1,628,000 00
Interest on same.....	118,020 00
United States subsidy bonds.....	1,628,320 00
Interest on same	1,366,598 29
Pay-rolls and vouchers.....	102,655 56
Notes payable.....	723,900 00
Accounts payable.....	127,494 65
Total debt.....	5,694,988 50
Capital stock	2,068,400 00
Total stock and debt	7,763,388 50
ASSETS.	
Cost of road and equipment	\$5,426,659 18
Cash and material on hand.....	121,208 45
Company's bonds owned by company.....	500 00
Miscellaneous investments	506,200 00
Due from the United States	64,178 19
Applied on interest accrued on United States bonds.....	51,881 29
Accounts receivable.....	124,793 59
Total assets.....	6,295,420 70
Deficit.....	1,467,967 80
Showing increase of deficit for the year of \$261,303.54.	
Considerable attention was paid to the present system of accounting when the bookkeeper of this office was examining the books and accounts of the company at Cedar Rapids, Iowa. A very decided improvement was noted, many practical suggestions having been adopted.	
From an examination of the books and accounts of the company, the gross earnings of the owned line for the year ending June 30, 1882, were found to be.....	
The operating expenses.....	\$500,898 28
	453,018 26
Leaving net earnings.....	47,880 02
From which deduct construction and equipment.....	29,433 03
Leaves net.....	18,446 99
From which deduct 7.29 per cent. of Iowa net earnings—the road from California Junction to Missouri Valley, 5.84 miles, is not subsidized....	3,392 78
Leaves net earnings on the subsidized portion—101$\frac{7}{10}$ miles	15,054 21
"Five per cent".....	752 71

The company claims to have furnished transportation for the government which, on June 30, 1882, amounted to \$116,659⁴⁸/₁₀₀. There is no immediate prospect, however, of getting any cash payment from this company, under existing law. Attention is called to "Legislation recommended," page 11.

The following is a comparative statement of earnings and expenses for two years, ending June 30, 1881, 1882:

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$176,732 23	\$102,884 60	Increase ..	\$73,847 63	71.77
Freight.....	296,694 12	327,725 40	Decrease ..	31,061 28	9.47
Mail.....	10,102 52	10,172 71	Decrease ..	70 18	.69
Express	6,116 09	5,128 85	Increase ..	987 24	19.24
Miscellaneous	13,788 15	8,324 99	Increase ..	5,463 16	65.62
Total	503,403 12	454,236 55	Increase ..	49,166 57	10.82
EXPENSES.					
Transportation.....	72,368 63	62,043 76	Increase ..	10,324 87	16.64
Maintenance of way.....	205,754 23	160,333 84	Increase ..	45,420 39	28.32
Motive power.....	91,961 43	76,947 02	Increase ..	15,014 41	19.51
Maintenance of cars.....	46,391 63	13,187 77	Increase ..	33,203 86	251.77
General and taxes.....	39,047 18	28,574 88	Increase ..	10,472 30	36.64
Total	455,523 10	341,087 27	Increase ..	114,435 83	33.55
Net earnings.....	47,880 02	113,149 28	Decrease ..	65,269 26	57.68
Average miles operated	107.42	107.42	Decrease ..		
Earnings per mile.....	\$4,686 30	\$4,228 60	Increase ..	\$457 70	10.86
Expenses per mile.....	4,240 58	3,175 27	Increase ..	1,065 31	33.55
Net earnings per mile.....	445 72	1,053 33	Decrease ..	607 61	57.68

MEMPHIS AND LITTLE ROCK RAILROAD COMPANY.

This road has undergone an unfortunate series of embarrassing changes from a period previous to its completion to the present time. The company was chartered January 11, 1853, and the road completed in January, 1874. Defaulting on first-mortgage land-grant bonds, November 1, 1872, the road was sold in 1873, and reorganized as the Memphis and Little Rock Railway Company. This latter company also failed, and was in turn sold out in 1877. The purchasing bondholders then organized the Memphis and Little Rock Railroad Company under the charter of 1853, and took possession September 29, 1877.

This office has received a circular, accompanying a meager report, giving notice June 24, 1882, that "the Memphis and Little Rock Railroad (as reorganized), with all its tracks, inclines, boats, locomotives, passenger cars, freight cars, hand cars, materials, tools, lands, books, papers, and all its other property, has been placed in the hands of a receiver of the chancery court of Pulaski County," &c.

The road encountered serious physical difficulties during the early part of 1882, and it is stated that owing to the floods and overflow of the Mississippi and tributary streams, the running of through trains on the road was prevented from January 29 to April 16, 1882, and from that cause the earnings for the first four months of 1882 dropped off over seventy per cent. It is also stated that a large extraordinary expenditure upon the track will be required to put the road in fit condition for business, and to repair damages done by the floods.

The length of the road is 133 miles, extending from Argenta, 2 miles from Little Rock, Ark., to Hopefield, opposite Memphis, on the Mississippi River.

The land granted to this company under the acts of February 9, 1853, and July 28, 1866, is estimated to aggregate 804,185.8 acres, of which 140,955.09 acres had been patented to June 30, 1882.

The rolling stock consists of 14 locomotives, 18 passenger and 274 freight cars.

Owing to the limited time at the command of the inspection party from this office, the road was not gone over this year.

The following statement of earnings and expenses has been compiled from the company's reports:

	Year ending June 30, 1882.	Year ending June 30, 1881.	Difference.		
			Increase or decrease.	Amount.	Per cent.
EARNINGS.					
Passenger.....	\$923,262 85	\$936,924 93	Decrease..	\$13,662 08	4.05
Freight.....	280,602 72	356,181 48	Decrease..	75,578 76	21.22
Mail.....	12,280 31	13,576 80	Decrease..	1,296 49	9.55
Express.....	23,931 02	19,314 74	Increase..	4,616 28	23.92
Miscellaneous.....	596 28	1,082 89	Decrease..	486 61	44.24
Total.....	640,673 18	727,030 84	Decrease..	86,357 66	11.88
EXPENSES.					
Transportation.....	184,742 68	154,236 45	Increase..	30,506 23	19.85
Maintenance of way.....	134,671 54	106,155 65	Increase..	28,515 89	26.86
Motive power.....	82,165 33	95,101 91	Decrease..	12,936 58	13.66
Maintenance of cars.....	18,699 59	36,899 84	Decrease..	18,200 25	49.33
General, and taxes.....	58,273 15	20,806 56	Increase..	37,466 59	180.12
Total.....	478,492 29	413,200 41	Increase..	65,291 88	15.80
Net earnings.....	162,180 89	313,830 43	Decrease..	151,649 54	48.33
Miles operated.....	135	135			
Earnings per mile.....	\$4,745 73	\$5,385 41	Decrease..	\$639 68	11.88
Expenses per mile.....	3,544 39	3,060 74	Increase..	483 65	15.80
Net earnings per mile.....	1,201 34	2,324 67	Decrease..	1,123 33	48.33

Two balance sheets have been submitted by the present Receiver, one exhibiting the financial condition of the railroad company on June 24, 1882, and the other that of the road in receivership on June 30, 1882. Statements are submitted in the order named.

June 24, 1882.

LIABILITIES.

First-mortgage bonds.....	\$2,850,000 00
Interest on same.....	121,310 00
Pay-rolls and vouchers.....	35,334 96
Bills and accounts payable.....	46,980 23
Total debt.....	3,053,625 19
Capital stock.....	1,500,000 00
Total stock and debt.....	4,553,625 19

ASSETS.

Cost of road and fixtures.....	\$4,921,216 01
Cash and material on hand.....	18,920 42
Bills and accounts receivable.....	40,554 18
Total.....	5,020,690 61
Surplus.....	467,065 42

June 30, 1882. (Receiver.)

LIABILITIES.

Pay-rolls and vouchers	\$40,097 88
Bills and accounts payable	66,503 58
Total debt	106,601 46

ASSETS.

Cash and material on hand	\$67,217 63
Bills and accounts receivable	40,231 16
Total	107,448 79
Surplus	847 33

SAINT PAUL AND DULUTH RAIDROAD COMPANY.

This road was chartered as the Lake Superior and Mississippi Railroad Company May 23, 1857. It is estimated that the original land-grant made by the act of May 5, 1864, and amended by act of July 13, 1866, amounted to 920,000 acres, of which 860,564.09 acres had been patented to June 30, 1882, and sales had been made to the amount of \$909,011.27.

This road was passed over in the night, and consequently no personal inspection was made.

From reports rendered this office to December 31, 1881, the following information is derived:

Gross earnings, year 1881	\$732,630 25
Gross earnings, year 1880	668,777 90
Increase	63,852 35
Operating expenses, year 1881	586,350 07
Operating expenses, year 1880	575,595 45
Increase	10,754 62
Net earnings, year 1881	146,280 18
Net earnings, year 1880	93,182 45
Increase	53,097 73
Gross earnings per mile of road, 1881	4,186 46
Gross earnings per mile of road, 1880	3,843 55
Increase	342 91
Operating expenses per mile of road, 1881	3,350 57
Operating expenses per mile of road, 1880	3,308 02
Increase	42 55
Net earnings per mile of road, 1881	835 89
Net earnings per mile of road, 1880	535 53
Increase	300 36

There was expended during the year 1880, on account of improvement and additions to property, including equipment, the sum of \$300,280.82. The equipment expenditures amounted to \$56,553.90, of which \$6,171.54 was for the Westinghouse air-brake application to all passenger cars and engines, \$9,800 for three new accommodation cars,

and the remainder for the construction of fifty-four new box freight cars of fifteen tons capacity.

Realizing the necessity for a further and considerable addition to the rolling stock, in order to handle the increasing business, the company wisely decided to add as largely as its earnings and limited means would permit, the result being that, during the year ending June 30, 1882, there was expended for this purpose the further sum of \$308,233.21.

On June 30, 1882, the equipment was 34 locomotives, 27 passenger coaches, 885 freight cars, 103 hand and push cars for use of trackmen, and 10 miscellaneous cars.

The company reports that for the year ending June 30, 1882, there were accidents resulting in the injury of but 3 persons (employés on the road), and no deaths.

One-half of the main line is laid with 56-pound steel, and the rest of the road with 56-pound iron rails. The ties in track average 2,640 per mile. There are 124 bridges, aggregating a length of 17,723 feet, including 6 combination Pratt truss and 1 iron-girder bridge. The road is fenced for 145½ miles. Owing to the fact that personal inspection was not made, and that the returns required by this office have been only partially furnished, the report upon the property, financial condition, and accounts of this company is necessarily very limited.

THE PERSONNEL AND EXPENSE OF THE BUREAU.

The employés of this office, with their respective positions and salaries, on June 30, 1882, were as follows:

William H. Armstrong, Commissioner.....	\$4,500 00
Frank B. Pickerill, bookkeeper	2,400 00
William M. Thompson, assistant bookkeeper	2,000 00
Henry Blackstone, engineer	2,500 00
Thomas Hassard (temporary), draughtsman	1,500 00
Miss Kate Schmidt, copyist	900 00
Paul M. Johnstone, messenger.....	420 00

On this day, November 1, 1882, the personnel is as follows:

William H. Armstrong, Commissioner.....	\$4,500 00
Frank B. Pickerill, bookkeeper	2,400 00
William M. Thompson, assistant bookkeeper	2,000 00
Henry Blackstone, engineer.....	2,500 00
Thomas Hassard, clerk	1,600 00
Miss Kate Schmidt, copyist	900 00
Paul M. Johnstone, messenger	720 00

Of the appropriations for this office for the fiscal year ending June 30, 1882, amounting to \$17,100, the following sums have been expended, viz: Salaries, \$14,294.76; traveling expenses, \$1,867.03; and contingent expenses, \$284.03; in all amounting to \$16,445.82.

The appropriations for the current fiscal year ending June 30, 1883, are as follows: "Salaries, office of the Commissioner of Railroads," for Commissioner, \$4,500; bookkeeper, \$2,400; assistant bookkeeper, \$2,000; railroad engineer, \$2,500; one clerk, \$1,600; one copyist, \$900; one messenger, \$720; traveling expenses, \$3,000; contingent expenses, \$500; and for books and cases for library, \$1,200; in all, \$19,320.

The estimates which have been submitted for the fiscal year ending June 30, 1884, are as follows: Commissioner, \$5,000; bookkeeper, \$2,500; assistant bookkeeper, \$2,000; railroad engineer, \$2,500; one clerk, \$1,600; one clerk, \$1,400; one copyist, \$900; one messenger, \$720; traveling expenses, \$3,000; contingent expenses, \$500; making, in all, \$20,020.

I take great pleasure in commending the general efficiency of the

employés of this office. The work requires the services of practical and skilled accountants and engineers, who have ably seconded my efforts to make this report full and complete in every respect.

I have the honor to be, sir, very respectfully, your obedient servant,
W. H. ARMSTRONG,
Commissioner.

Hon. H. M. TELLER,
Secretary of the Interior.

REPORT OF THE COMMISSIONER OF PENSIONS.

DEPARTMENT OF THE INTERIOR,
 PENSION OFFICE,
 Washington, D. C., November 1, 1882.

SIR: I have the honor to submit herewith the annual statement showing the operations of this bureau for the fiscal year ending June 30, 1882.

There were at the close of the year, June 30, 1882, 285,697 pensioners, classified as follows: 173,138 Army invalids; 76,448 Army widows, minor children, and dependent relatives; 2,361 Navy invalids; 1,955 Navy widows, minor children, and dependent relatives; 7,134 survivors of the war of 1812, and 24,661 widows of those who served in that war.

There were added to the roll during the year the names of 27,664 new pensioners; and the names of 649, whose pensions had previously been dropped, were restored to the rolls, making an aggregate increase to the roll of 28,313. The names of 11,446 pensioners were dropped from the roll for various causes, leaving a net increase to the roll of 16,867 pensioners. At the close of the year the annual pension to each pensioner was \$102.70, and the aggregate annual value of all pensions was \$29,341,101.62.

The annual payments, however, exceed this sum by several millions of dollars; *i. e.*, the total amount paid for pensions during the year, exclusive of the arrears due in pensions which were allowed prior to January 25, 1879, was \$53,924,566.20, the difference being the arrears due in new pensions from the date of discharge, in the case of a soldier or sailor, and from death of the soldier, where pension was allowed to the widow or others.

The amount paid during the year upon first payment to new pensioners is \$26,421,669.19; and this amount was paid to 27,703 pensioners, averaging to each case as follows: To Army invalids, \$964.05; to Army widows, minor children, and dependent relatives, \$1,065.44; to Navy invalids, \$549.99; to Navy widows, minor children, and dependent relatives, \$561.59; to the survivors of the war of 1812, \$324.19, and to the widows of the deceased soldiers and sailors of that war, \$208.24.

The complete details of the statements will be found arranged and classified in Table 1, with the value of pensions allowed, increased, and dropped, and Table 2 will show the various causes for which the names of 11,446 pensioners were dropped; also an analysis of the "widows" roll, showing the number of widows with and without minor children, guardians, dependent fathers, and dependent mothers.

The amounts appropriated under each appropriation head will be found in Table 3, and the amounts disbursed out of the same. In connection with this table will be found a statement showing the disburse-

ments during the year (\$134,823.41) on account of arrears of pension allowed in cases where pension had been granted prior to the arrears act (January 25, 1879), which, for convenience of comparison, are kept separately from other disbursements.

To correct some misapprehension, which sometimes arises, I refer to Table 2, showing the various causes for which the names of pensioners have been dropped from the roll. Taking the invalids, for example, 1,935 names were dropped during the year by reason of death, and 664 by reason of failure to claim pension—the percentage of deaths being so small as to excite great surprise.

Section 4719 of the Revised Statutes provides that the name of a pensioner shall be dropped from the roll where pension remains unclaimed for three years; so that in this class the larger proportion are supposed to be dead. This will be illustrated in a more striking manner by reference to the pensioners of the war of 1812, 1,450 reported as having died, and 2,379 as dropped from failure to claim pension.

Table 4 is a classified statement of the number of pensioners on the rolls of each agency, and compares the whole number of pensioners on the roll with that of the preceding year, and shows the total disbursements and cost of same at each agency during the year.

Table 5 is an interesting exhibit of the number of each class of original claims filed and allowed during each year since 1861, and the amounts paid for pensions and the cost of disbursement each year since 1860. In this number will be represented a very small proportion whose claims were filed on account of disability or death occurring in wars prior to 1861-'65, also the claims for service during the war of 1812.

The number of claims filed since the passage of the first act, February 14, 1871, granting pension on account of the war of 1812, is, for survivors, 34,533, and for the widows of those who served in that war, 42,123. In the first class the number allowed is 25,611, and in the second, 32,556. The whole number of pension claims allowed since 1861 is 472,776.

Table 6 shows the number of claims of each class on the files at the beginning of the year, the number allowed and rejected during the year, and the number remaining on hand at the close of the year.

I had caused a thorough analysis to be made of the files of the office, so that I am able to present in an intelligent manner the number of claims of each class which are actually pending, and also those which are rejected or abandoned. Previous to this report there had been no division of these two classes, so that it was difficult to determine the number of actual pending claims.

Table 7 will show the operation of the special examination provided by law as a substitute to what was formerly a special service of the office.

Under the change of system provided by law, results appear to be most gratifying, and later on this subject will be referred to more in detail.

Table 8 gives the location and geographical limit of each pension agency, the name of the agent, and the balance of funds remaining in the hands of each agent at the close of the year.

Table 9 exhibits the different rates of pension paid to Army and Navy invalids, together with the number of pensioners of these classes to each rate.

Table 10 shows the amounts paid for pensions on account of service during the war of 1812 in each year since the act of Congress providing pensions for this class. The first act was passed February 14, 1871, the

general provisions of which granted pension for a period of not less than sixty days' service. Subsequently the act of March 9, 1878, liberalized these provisions and allowed a pension for fourteen days' service.

Table 11 shows the number of late war invalid pensions allowed year by year since 1861, classified and arranged, so that in each year's allowance it is shown in what year the claims were filed for all the preceding years, as well as the one in which such allowance was made. It also shows the total number allowed out of each year's filing.

The work of compiling this information has been considerable, and I have not been able to show corresponding results for the widows, minor children, and dependent relatives' class, but I hope to be able to do so in the future.

If the number of claims reported allowed each fiscal year, in this table, shall be compared with these in the several annual reports of the Commissioners of Pensions, a small discrepancy will be noticed in each year. This is accounted for by the elimination of the old war invalid pensions, also such cases as had in former years been allowed and were afterwards discovered to be duplicates, amounting to some few hundreds in all, but the results now reported may be regarded as at a minimum.

Some valuable information, never before reduced to substantial results, I have also presented in this table, *i. e.*, the percentage of cases allowed up to the present time out of the number filed each year since 1861.

It will be seen by computation that of all claims filed prior to July 1, 1872, 75 per cent. have already been allowed, and though this terminal point is ten years ago, it does not represent the maximum of the number which will be allowed out of the cases filed during the time stated. As an illustration of this, a reference to the table will show, that during the year just closed 3,007 claims (or 13 per cent. of those allowed) were filed during the twelve years ending June 30, 1872.

Herewith I add a table analyzing the one referred to, which compares, by percentage, the work of this with former years from 1872 to 1882, inclusive, showing the per cent. of claims allowed during the same year in which they were filed, and for the first, second, third, fourth, fifth, sixth, and seventh year preceding, also for the full time (in aggregate) prior to the seventh year period back to 1881.

Years in which allowed.	Filed the year in which allowed.	Filed the first year before allowed.	Filed the second year before allowed.	Filed the third year before allowed.	Filed the fourth year before allowed.	Filed the fifth year before allowed.	Filed the sixth year before allowed.	Filed the seventh year before allowed.	Filed the eighth and previous year before allowed and since 1861.
	Pr. ct.	Pr. ct.	Pr. ct.	Pr. ct.	Pr. ct.	Pr. ct.	Pr. ct.	Pr. ct.	Pr. ct.
1882....	.5	.6	43.4	21.5	6.1	4.6	4.0	2.4	16.4 in the thirteen years previous to 1874.
1881....	.7	11.2	37.1	11.4	7.5	5.8	3.6	2.3	20.1 in the twelve years previous to 1873.
1880....	2.7	27.6	18.5	10.9	7.7	4.6	3.3	2.6	21.6 in the eleven years previous to 1872.
1879....	10.9	36.3	20.6	8.5	3.8	2.6	1.7	2.1	13.0 in the ten years previous to 1871.
1878....	12.4	30.3	25.2	5.7	3.3	3.4	2.9	1.7	14.7 in the nine years previous to 1870.
1877....	10.9	36.5	16.4	8.3	6.4	3.8	2.0	2.7	12.5 in the eight years previous to 1869.
1876....	12.0	43.1	11.6	6.5	5.3	4.1	3.2	2.3	11.5 in the seven years previous to 1868.
1875....	17.3	34.6	12.4	6.8	6.4	5.0	2.6	1.6	12.9 in the six years previous to 1867.
1874....	14.3	31.9	18.4	7.9	7.9	3.2	3.1	2.6	10.2 in the five years previous to 1866.
1873....	21.2	26.1	16.8	12.7	4.7	3.1	5.6	4.0	5.3 in the four years previous to 1865.
1872....	7.2	32.3	27.2	8.1	3.6	5.7	7.3	3.2	5.0 in the three years previous to 1864.

Taking the year 1882, we find that five-tenths of 1 per cent. of the number allowed were filed during the same year, six-tenths of 1 per

cent., were filed in the year previous (1881), and the second year previous (1879) 43.4 per cent., and so on; also that prior to the seventh-year period, which was the thirteen years preceding July 1, 1874, 16.4 per cent. of the cases were filed.

Taking this latter (16.4), and we find that of the cases allowed in 1881 20.1 per cent. were filed previous to the seventh-year period, being the twelve years ending June 30, 1873, and for the year 1880 it was 21.6 per cent. for the eleven years ending June 30, 1872.

Referring again to 1882 we find the 16.4 per cent. referred to shows a falling off for this earlier period, notwithstanding an additional year and two years respectively are added to it; and it illustrates how the work of the office is being concentrated towards the great block of claims which were filed in 1879 and 1880. It will be remembered that the arrears act was passed at the commencement of the last half of the fiscal year of 1879 (January 25), and the limitation granting arrears expired with the year 1880. Of the claims filed since June 30, 1880, less than 1 per cent. have been allowed, and these for grave and sufficient reasons which justified special action.

In the claims filed during the years 1879 and 1880, there have been allowed 43.6 and 11.2 per cent. respectively out of the numbers 36,835 and 110,673 claims of invalids which were filed during those years. It should be remembered that these statements refer only to the late war invalid claims.

Table 12 is an exhaustive exhibit showing the number of claims made for pension on account of the late war, of invalids, widows, children, mothers, and fathers; the numbers which have been admitted, and are now pending. Out of the whole number admitted and pending it is shown in each those who are and those who are not entitled to arrears. The information collated in this table is arranged by each regimental organization, and the totals of each arm of military service in each State and Territory. For a more particular description your attention is invited to the title "Pension Population" on page 23 of the report.

Table 13 shows the number of pensioners upon the roll, the annual value of such roll, and the amount actually paid, including arrears, for the year ending the payment of June, 1882, classified and arranged so that the same is exhibited in each county by congressional districts in each State and Territory.

This information was first called for by a resolution of the Senate and was published in Senate Executive Document No. 152, first session Forty-seventh Congress, showing the condition of the roll to and including the September (1881) payments. I have since had the same revised and brought down to the June (1882) payment.

Table 14 contains the names of the surviving widows of Revolutionary soldiers and sailors who are pensioners, and their place of residence, as shown by the roll, at the close of the fiscal year.

EFFICIENCY OF THE BUREAU.

The commencement of the last fiscal year found this office with several troublesome questions to face; and many disastrous occurrences, and difficulties following difficulties, combined to render the beginning inauspicious. First, a large discharge of clerks became necessary owing to the inordinate size of the rolls as compared with the appropriations for the fiscal year then beginning; the assassination of the President caused an almost total suspension of business, and a distraction of the attention of clerks from their work to such an extent

that, at that time, more than a week was consumed before it could again in any degree be concentrated upon the work of the office; so that it may safely be stated that on this account alone, in the month of July, fully one week's work was lost. The incoming of a new administration of the office, and the disorganization which, to some extent, always follows such a change, combined with the knowledge that a large number of discharges was impending, militated also against the efficiency of the office for some time. Later on, after the discharges had been made and the force had settled down to work, it was found necessary to take an inventory of the office, in order that accurate knowledge might be had as to the condition of its business. This consumed one month. Following this came the fluctuations between life and death of the Chief Magistrate, and the succeeding obsequies, during which sad time no one could work—so that it was about the 1st of November before the solid work for the year began. I estimate that, by reason of the various disturbances alluded to, not less than two months' time, between the 1st of July and the 1st of November, of the whole force of the office was practically lost to the settlement of claims. From that point on the efficiency of the office daily increased, and the result of its work at the end of the year was exceedingly encouraging, showing, as heretofore stated, a disposal of over 59,000 cases. Much of this efficiency I attribute to the unusual and most satisfactory confidence exhibited by Congress in the bureau and its officers, and the certainty felt throughout the office that its labors were being appreciated. It is impossible, I find, to reach perfection in the administration of so large and important an office; but I suppose it can be safely stated that in no department of the government is there a more conscientious discharge of duty by the employés and officers than in this bureau. There has been practically no change in the organization of the office since that mentioned in my last annual report; and to accommodate the force granted by Congress the organization then made has been simply broadened to receive the new accessions, and I think no reorganization will be necessary.

PROPOSED MODIFICATIONS OF LAW.

Availing myself of the long experience and high abilities of my chiefs of divisions and other officers, and recognizing also the fact that none are so competent to point out defects in existing law as those who are daily engaged in its application to the business for which the laws have been framed, I have called upon and received from these officers some most valuable and practical suggestions, which I shall condense with some of my own, and offer by way of amendment to existing law, in order to make the administration of the Pension Office more efficient and more conducive to the end for which it was intended.

OLD WAR CLAIMS.

I would suggest that the acts of March 16, 1802, section 14, and section 7 of the act of March 3, 1815, and other supplementary acts, be re-enacted by way of amendment to section 1639 of the Revised Statutes, for the reason that considerable difficulty has been experienced in the disposal of invalid claims based upon disabilities originating prior to March 4, 1861, owing to the fact that the old military establishment acts above referred to were not re-enacted in the Revised Statutes, as it seems to me they should have been. This recommendation will serve to call the attention of Congress to certain acts omitted in the revision of

the laws, and when they shall take notice of the same I will, if desired, appear before the committee and point out more particularly these and other laws which should be re-enacted.

I recommend the repeal of section 1636, inasmuch as it is practically covered by the provisions of section 4732 of the Revised Statutes, and is only calculated to mislead and confuse.

BOUNTY-LAND LAWS.

In regard to the bounty-land laws, I think that they should be generally remodeled and simplified. The mistakes made in the codification of the laws as found in the Revised Statutes should be corrected, and changes should be made to equalize the benefits to all the classes of persons to whom title is already given under the law. Especially should the following sections be amended, viz:

1. Sections 2418 and 2419, so as to separate the provision relating to the Mexican war (under act of February 11, 1847, and its amendment of May 27, 1848) from the provisions of the equalizing act of September 28, 1850. As it stands now the language of the section, together with the repealing provisions of the Revised Statutes, seem to cut off certain classes who were provided for by the old law, February 11, 1847; but the old law was in the nature of a contract, and it is not therefore proper in any way to curtail its provisions. The provisions of section 2418 (in so far as it re-enacts the provisions of the equalizing act of September 28, 1850) should be extended so as to give the full benefit of sections 2425 to 2427, inclusive, to the very small class of persons now provided for under section 2418, who do not already come under section 2425, *et seq.* Almost the only change it would make would be to give a warrant for 160 acres to a few fathers, mothers, brothers, and sisters (on a service of fourteen days, or battle service) who are now entitled to warrants of varying amounts, from 40 acres to 160 (according as the service of soldier was one month, six months, or twelve months).

2. Section 2429 should be so modified as to give the succession to the minors upon the remarriage as well as upon the death of the widow, in case there are minors; provided, that where there are no minor children the widow's title may return to her on her again becoming a widow.

3. Sections 2439 and 2440 should be so amended as to make it the duty of the General Land Office to take all the testimony upon which duplicate land warrants shall be issued, the Pension Office to issue such duplicate upon the certificate of the Commissioner of the General Land Office and the direction of the Secretary of the Interior thereon, and deliver the same to the said Commissioner of the General Land Office, as a voucher to be placed upon his files, or for delivery to the person entitled to its possession. This is a question which you have had under consideration for some time, and I therefore do not deem it necessary to set forth all the reasons why I think that such a change should be made. I will, however, state one important reason; that is, that all questions relating to the assignments of warrants belong to the General Land Office to settle, as has been authoritatively declared, and such questions are the principal ones to be settled in the issuing of almost every duplicate ever asked for, in order to determine into whose possession to deliver the duplicate when issued, &c.

4. Sections 2444 and 2445 should be so amended as to be in harmony with the last paragraph of section 2418, and with section 2428, Revised Statutes, so that where there are any of the heirs of the soldier whose

succession is provided for in sections 2418 or 2428, the provisions of sections 2444 and 2445 shall not apply, but the title shall succeed in the order designated in sections 2418 and 2428. The practice of the office has been generally in accordance with the suggestions made herein, but the letter of the law leaves room for doubt, a fact which has been taken advantage of by those prosecuting claims to the considerable annoyance of the office.

LATE WAR PENSIONS.

I recommend that section 4693 of the Revised Statutes, which pertains to irregular enlistments (non-enlisted persons), and which grants pensions to certain classes, be amended so as to extend the benefits conferred by it to wounds and injuries received or disease contracted by non-enlisted men serving as scouts, by virtue of the authority of any general officer, and to certain classes of employes of the Quartermaster-General's Department, who were subjected to unusual hardships and dangers; and I would also recommend the repeal of the last clause of said third paragraph, as it imposes, in my opinion, an unjust limitation upon a frequently worthy class of applicants. I think the whole paragraph should be remodeled so as to define more clearly the classes to be benefited. Paragraph 2 of said section should, I think, be amended so as to be more specific in its definition of its beneficiaries, and should define more clearly what is meant by the term "war vessel."

GENERAL-SERVICE ENLISTMENTS.

Some difficulty in the application of the provisions of section 4694 of the Revised Statutes has been encountered, owing to the indefiniteness and varied constructions of the term "military post," &c. I would suggest that such an amendment to this section be made as will clearly and specifically define the meaning of the term "military post," and also fix the practice as regards the pensioning of men who were enlisted in the general service and detailed to do duty at Washington City and other posts.

RANK AND GRADES OF PENSION.

Section 4695 of the Revised Statutes, which fixes the various grades of pension, might well be amended so as to provide a more equitable distribution, and to comport with the actual disabilities of pensioners. In fact, the time has come, in my opinion, when Congress should give a thoughtful consideration to the entire regrading of pensions, making disability, rather than rank, the measure of the pension. There can exist no good reason in pensioning a *volunteer* force, when for the same disability a lieutenant-colonel shall receive thirty dollars per month, and a private soldier but eight; both having been drawn from and returned to the same walks of civil life. This subject is one, however, which requires a careful and searching investigation; and I simply make this suggestion in the hope that Congress may take such steps as will eventually bring about an entire change; one which, in my opinion, if carefully done, will prove advantageous alike to the pensioner and the government.

In this connection I would respectfully call attention to the statistics exhibited by Table No. 9. The astonishing fact is there shown that there are 117 different grades of pension now being paid to pensioners. In this brief report I can hardly refer to the causes which have brought this about, but would state that, in my opinion, the almost constantly

varying scale provided by new legislation, some of which reaches but a small and others a larger class, makes the rule of grading a constantly shifting one. This, in my opinion, will be remedied by the change referred to.

So long as the amount of pension is fixed by rank, I respectfully recommend the amendment of section 4696 of the Revised Statutes by striking out the words "that a vacancy existed in the rank thereby conferred." The effect of this amendment will be to give an officer the benefit of his actual rank, notwithstanding the fact that there was no technical vacancy at the time. It is within the experience of every officer that, had the actual minimum number of men required by the Army regulations for each company been strictly regarded in commissioning volunteer officers, many commands would have been without commissioned officers during a good part of their service. It is but fair, so long as the grade of pension is controlled by the rank held, that the pensioner should have the benefit of his actual service in the grade for which he held commission.

INCREASE AND ERRORS IN RATING.

I wish to renew my recommendation regarding the amendment of section 4608½, which, in its administration, I find very often works great injustice to worthy pensioners. In the consideration of so vast a number of claims as is presented to this office, mistakes and errors in rating are almost inevitable, and this section has been so construed as to preclude the possibility of a correction of many of them. I therefore recommend that section 4698½ be repealed, and an act passed in lieu thereof containing substantially the following provisions: If any invalid pensioner shall feel that his pension is not commensurate with the degree of his disability, either because it has been improperly rated by the Commissioner of Pensions, or because the disability for which he was pensioned has increased, or because of another disability incurred in the service for which he is not pensioned, he may appeal to the Commissioner of Pensions for a rerating or an increase, as the case may be, at any time within one year immediately following the original adjudication; and said application shall be construed and determined in the same manner as was his original application, so far as such proceeding shall be applicable to the case. And the Commissioner of Pensions shall cause any invalid pensioner to be examined by a board of surgeons as often as he shall deem it for the interest of the government, or of the pensioner; and if, upon such examination, it shall appear that the pension enjoyed by the pensioner is not according to the degree of disability, and that such disability, in its nature, has been permanent in the same degree as then found, the same shall be readjusted and rerated according to right and justice; provided, that in case where increase is granted for the reason that the disability has increased since the pension was last rated by the Commissioner of Pensions, such increase shall commence at the date of the filing of the application therefor; and provided further, that if the disability has not changed, in degree, since discharge, such increase or rating shall commence on the date at which the original pension began; provided further, that all applications for increase on the ground that the pension has been improperly rated, made and filed *more than one year after* such alleged improper rating was fixed by the Commissioner of Pensions, shall be treated and settled as in the case of increase claims on the ground of increased disability, and the Commissioner of Pensions is authorized to correct at any time, on his own mo-

tion and without application, a manifest error committed at any time in the rating of any pension.

It should be enacted that the "permanent specific disability" mentioned in section 4698½ of the Revised Statutes be construed to refer to any disability, permanent in its character, and the increase of pension therefor to commence from the date of application, and at the rate in which it exists in a permanent degree.

WIDOWS AND MINORS' PENSIONS.

Section 4702 of the Revised Statutes was amended in several very important particulars, at the last session of Congress, and re-enacted as amended. Of course it is not the intention of Congress to thereby take this class of claims out from under the operations of the limitation imposed by the act of March 3, 1879, but such a construction has been sought to be put upon the said recent act, and I therefore recommend the enactment of a proviso, expressly declaring that said section is subject, in all respects, to the limitations of the said act of March 3, 1879. I would also recommend that the same be further amended, so as to entitle minor children to pension from the date of the soldier's death, where the widow has remarried prior to July 1, 1880, without having received any pension on account of such soldier's death.

DEPENDENT RELATIVES.

In the application of section 4707 to the thousands of cases of dependents now under consideration in the Pension Office, it is noticed that great injustice seems often to be done to a worthy class of pensioners by the narrow construction of it made necessary by its terms. As it now stands, there is no discretion left with the Commissioner, but, on the contrary, actual dependence must be proven, in the manner specified in the statute, to have existed at or before the soldier's death. I shall content myself with one illustration of the above remark, which I hope may attract the attention of Congress: A widowed mother, in the enjoyment of a competence, and otherwise in ordinary circumstances, gives her *only* son to the defense of the country. She has fitted him in every way to become her prop in life, when she shall have advanced to a greater age, or to a degree of helplessness which would require his maintenance and support. The son is killed in battle; he does not in fact contribute to the support of his mother at the date of his death, but in reality has been supported by her up to the time of his enlistment. Increasing years and adversity overtake the mother, and she becomes dependent upon the charity of friends. Had the son lived, this would not have been the case, and yet we are obliged to deny her a pension because, at the date of the soldier's death, it cannot be shown that she was dependent upon him for support, in whole or in part. The mere statement of such a case, it seems to me, carries with it the argument to convince all, that there is a necessity for an amendment to this section.

COMMENCEMENT OF OLD WAR PENSIONS.

In order to carry out the full and evident intention of Congress, as exhibited by the whole course of pension legislation, and especially by the more recent acts, and to place old war claims more nearly upon the same footing as those of the late war, I would suggest, that the limitation contained in section 4713 be removed, so that cases barred by the three-year limitation shall have their date of commencement at the time of filing the application, rather than at that of the filing of the last piece of

evidence. This amendment will affect a large class of cases, but the present law is so manifestly unjust that I do not hesitate to suggest the change.

REIMBURSEMENT CLAIMS.

Section 4718 of the Revised Statutes should, in my opinion, be made more specific, so that there may be no possible question as to the jurisdiction over cases involving a reimbursement for the expenses of the last sickness and burial of the pensioner. By a recent opinion of the Attorney-General, which is in the words and terms following, to wit:—

DEPARTMENT OF JUSTICE,

Washington, 3d August, 1882.

SIR: The question presented by the letter of the Second Comptroller, referred to in and accompanying your communication of the 5th July *ultimo*, requesting my opinion, is, whether the accounts presented by persons who have borne the expenses of "the last sickness and burial" of deceased pensioners, under section 4718 of the Revised Statutes, must be audited and adjusted in the Treasury by the accounting officers after an examination of the original vouchers and papers, or whether the Commissioner of Pensions may determine finally the amount properly due for such expenses, and, by withholding the original vouchers from the accounting officers, compel them to audit and allow such claims upon the mere certificate of that officer.

It is conceded by the Comptroller, in his letter, that the Commissioner of Pensions is authorized to decide who are entitled to be pensioners and the amounts to be paid to them, respectively, as such, and that his decision is, to that extent, conclusive as to the accounting officers; but he insists that claimants for reimbursement of expenses of the last sickness and burial of pensioners are not in any sense on the footing of pensioners, and that the ascertainment and allowance of the different items of such expenses belongs exclusively to the accounting officers of the Treasury.

Section 4718 of the Revised Statutes provides that when a pensioner or a person entitled to a pension, and "having an application therefor pending," shall die, not leaving a widow or child surviving him, "no payment whatsoever of the accrued pension shall be made or allowed, except so much as may be necessary to reimburse the person who bore the expenses of the last sickness and burial of the decedent, in cases where he did not leave sufficient assets to meet such expenses."

It may be assumed as established that the decision of the Commissioner of Pensions placing a person on the pension roll and fixing the amount of his pension is conclusive, and, consequently, that in settling the accounts of pension agents the accounting officers have no authority to go behind the pensioner's certificate.

It must be taken as equally clear, that as the pension law determines the amounts to be paid the various pensioners, the action of the Commissioner of Pensions in allowing or directing payment of a pension cannot be said ever to involve an accounting, in any proper sense of that term.

An examination of the various provisions under the title "Pensions" in the Revised Statutes will show that, with the exception of said section 4718, there is not one that calls for the auditing and settling of accounts, and that there is an entire absence of any direct or express intention that the Commissioner of Pensions should have the power to audit accounts.

So far from it, indeed, the law withholds from him the power to administer oaths, which is expressly conferred on the Auditors of the Treasury, that they may take testimony "in any case in which they may deem it necessary for the due examination of the accounts with which they shall be charged." (§ 297 R. S.)

Congress has provided an admirable system for the adjustments of public accounts (chapters 3 and 4 R. S.), and has declared that "all claims and demands *whatever* by the United States or against them, and all accounts *whatever* in which the United States are concerned, either as debtors or as creditors, shall be settled and adjusted in the Department of the Treasury." (§ 236 R. S.) This system has been in operation from the foundation of the government, and there can be no doubt as to the general intention of Congress that all unliquidated demands against the government shall be adjusted by the accounting officers forming the system.

Whether we regard sections 4718 and 236 as holding the same relation to one another as when the former was section 25 of the act of 3d March, 1873, and the latter section 3 of the act of 3d March, 1817, or since the enactment of the Revised Statutes as parts of one and the same statute, I perceive no ground whatever for holding that section 4718 was intended to restrict or qualify the declaration contained in section 236 that all demands and accounts *whatever* against the government shall be audited and adjusted in the Treasury.

It is the first duty of the expounder of several cognate statutes, or of several provisions of the same statute, to give them all a harmonious interpretation, and nothing short of some irreconcilable repugnancy can justify him in imputing to the legislature confused or inconsistent intentions.

From the time of the passage of the act of 1873 until a very recent date, according to the Comptroller's letter, these two provisions have been treated as in perfect harmony, and accounts under section 4718 have been audited and adjusted by the accounting officers after an examination of the original vouchers and papers, in the accustomed way, and it is only by a strained construction of this section that any collision between it and section 236 is now produced.

It follows, therefore, that the Commissioner of Pensions has no authority to audit and adjust accounts under said section 4718 R. S.

It is proper to add that my opinion of the 28th April, 1882, which, the Comptroller says, has been invoked as an authority for the new interpretation of section 4718, does not conflict with this opinion. In the former it was held that Congress intended that a decision of the Commissioner of Pensions as to the amount demandable by a pensioner should be conclusive, while this opinion holds that Congress had no intention to invest that officer with the power to audit and adjust accounts under section 4718.

The language of each opinion must be taken in connection with its subject-matter.

Very respectfully, your obedient servant,

BENJAMIN HARRIS BREWSTER,
Attorney-General.

THE SECRETARY OF THE TREASURY.

it has been decided that the Commissioner of Pensions has no jurisdiction whatever, touching claims for reimbursement, but that the same being claims against the United States under the provision of section 236 of the Revised Statutes, the title thereto must be adjudicated by the proper accounting officers of the Treasury.

This relieves the Pension Office of a very large amount of troublesome and difficult business, and sets free a force hitherto engaged in its consideration, to be used upon other and more important work. I would suggest as an amendment to such section the following: Strike out after the word "allowed," in line 11, in said section 4718, the words "except so much as may be necessary to reimburse the person who bore the expenses of the last sickness and burial of the decedent, in cases where he did not leave sufficient assets to meet such expenses;" and in lieu thereof insert the words "provided, however, that the person who bore the expenses of the last sickness and burial of the deceased pensioner or applicant for pension, in cases where he did not leave sufficient assets to meet such expenses, shall be paid out of any funds in the Treasury of the United States not otherwise appropriated, upon due proof submitted to the proper accounting officers of the Treasury, upon such forms as they may prescribe, such payment to be made by Treasury warrant as other claims against the United States are paid."

I would also suggest that the benefits of section 4718 should be extended to the other classes given title to a pension by section 4707, that is, dependent mothers, fathers, brothers, and sisters, as the same reason extends to this class as to the class above mentioned, viz, the widow or child or children of such soldier, and that the benefits of said section be confined to the pensionable representatives of a deceased soldier in the order in which title to pension is granted by sections 4702 and 4707.

THE EVIDENCE OF DISABILITY.

In order that the last clause of section 4719 may not be almost totally inoperative, I would suggest that after the word "medical" in tenth line and before the word "evidence" there be inserted, by way of amendment, the words "or other satisfactory." This slight amendment will enable the office to do justice in many cases where it must now be denied.

I can see no good reason for the longer continuance of the limitation imposed by the last clause of section 4722. I therefore recommend that applicants for pension under this section be placed upon the same footing as other soldiers.

PROTECTION OF THE PENSIONER.

Section 4745 relating to pledge, mortgage, sale, &c., of a pension certificate, or any right or title thereunder, has by subsequent legislation been modified so that all after the words "no effect," at the close of the first paragraph on line 3, is practically obsolete. I therefore recommend that the words following "no effect," in said line, be stricken out, and the following inserted in lieu thereof: "and any person who shall retain the certificate of a pensioner, and refuse to surrender the same, upon the demand of the Commissioner of Pensions, or a United States pension agent, or any other person authorized by the Commissioner of Pensions or the pensioner, to receive the same, shall be guilty of a misdemeanor, and upon conviction thereof may be fined in a sum not exceeding \$100 and the costs of the prosecution."

The abuse of this section has grown to such proportions that the above action is deemed necessary for the protection of the pensioners. Exorbitant rates of interest are charged by speculators who evade the exact terms of the section forbidding any "mortgage, sale, or assignment," &c., by becoming the custodian of the pension certificate for the use of the pensioner. The pensioner must necessarily apply to them to execute his voucher, as the same cannot be executed without the exhibition of the pension certificate to the officer before whom the voucher is executed. The broker then accompanies the pensioner to the agency and stays with him until his check is cashed, when, as soon as conversion into money takes place, he mulets the victim in heavy damages and retains the pension certificate to repeat the operation at the next quarterly payment. This leads the pensioner, in order to avoid the usurious interest charged, to allege the loss of the original certificate for the purpose of procuring a duplicate; which being done, he evades the broker, often hypothecates with another broker the duplicate and repeats the same transaction at the next quarterly payment. It is believed that the amendment suggested will speedily cure the evils spoken of and bring about a better condition of things.

PROTECTION OF PENSION AGENTS.

In the administration of section 4765 the pension agent is, I find, placed in an embarrassing attitude as regards the identity of the pensioner. He is required to make payment by check payable to order. The assistant treasurers and banks of deposit, who have no means of ascertaining the identity of the payee, must require one of two things; first, the indorsement of the check by some person known to the bank, or some certification by the pension agent that the indorsement of the check is the genuine signature of the true pensioner. The first method results in some places very disastrously to the pensioner, who is frequently compelled to pay large sums of money to secure the necessary indorsement. The second method is only available within the corporate limits of the town where the agency is situated, and renders the pension agent personally responsible to the paying bank when no such responsibility should attach. I find in section 4765, above referred to, abundant power vested in the Secretary of the Interior to prescribe the manner

in which the identity of the pensioner may be established. There being no adequate regulation governing this point, I respectfully recommend that you prescribe such regulations at the earliest possible moment. A bill is now pending before Congress which confers upon the Commissioner of Pensions the power in certain cases to require the payment by the pension agent to a pensioner in cash, where the interests of the government and the pensioner seem to require it. I think the same passed the House and is now before the Senate Committee on Pensions, and I believe will early become a law. If so, this will relieve the office from the necessity of seeing pensioners at remote places swindled by persons selling their indorsement, and enable it to do justice in many cases where now it cannot be done.

OVERPAYMENTS TO PENSIONERS.

It frequently happens that erroneous payment or overpayment is made to a pensioner, whereby he receives much more than the amount to which he is entitled. It has been the practice to withhold the pension not yet accrued until it shall have amounted to a sufficient sum to cover the overpayment. I ask that this practice be given the sanction of law, as thereby no hardship can come to the pensioner, nor is his right to proper pension thereby reduced a penny, but the government is by this means reimbursed and protected against loss. I would recommend that this provision be attached to section 4766, as a proviso or amendment, and that the said moneys be covered into the Treasury when sufficient has been withheld to reimburse the overpayment, without the voucher or receipt of the pensioner, his receipt for the overpayment being a sufficient one to protect the pension agent upon his bond.

ATTORNEYS' FEES.

In my last annual report I dwelt at some length upon the subject of claim-agents and attorneys, and their fees. Experience fully justifies me, in my opinion, in all that was said in that report touching this subject, and I wish to refer to it and make it a part of this. Much time and labor are spent in the prosecution of claims by attorneys and agents, who, after years of labor, find themselves confined to a fee of \$10, and, in self-interest, resort to subterfuges and devious methods to obtain a greater fee from the claimant. I think this office should be relieved from the vast amount of annoyance caused by the petty prosecution of men, perhaps not otherwise dishonest, who find the opportunity offered by the receipt of large sums of arrears of pension by their principals to collect from them a greater fee than is allowed by the act of June 20, 1878, too great a temptation to be borne. Wherever such cases come to my knowledge, it is my duty, and I have endeavored to discharge it, by prosecuting the offender and disbaring him from practice. The offense is often so trifling that it is exceedingly annoying to be compelled to set so much force upon such small and seemingly unimportant outside matters. In my opinion, the remedy lies, as I have before recommended, in the substantial re-enactment of the law in force at the time said act of June 20, 1878, was passed—the salient points to be covered being: First, the establishment of a reasonable fee for the claim agent or attorney; second, the agreement therefor to be by written contract, which as to amount of the fee, shall be subject to the approval and discretion of the Commissioner of Pensions, and the form to be prescribed by him; third, the payment of such fee to be contingent upon the suc-

cessful prosecution of the claim; fourth, the payment thereof to be made by the pension agent: with such guarded provisions to be enacted as will prevent injustice being done claimants whose claims are already on file, where payment of some part of the fee has been made in advance, so that the claimant shall have the full benefit of such payment. I cannot but believe that a well-guarded law of this character will attract to the pension practice an honorable and upright class of attorneys, who cannot now afford to undertake the business for the fee, and who are unwilling to be annoyed by such employment under the restrictions as they exist under the present law.

In this connection I would recommend that section 5485, prescribing a penalty for the reception or retention of an illegal fee, be amended as follows: Strike out the words following "than is provided," in line —, in said section, the words "in the title pertaining to pension," and insert in lieu thereof the words "by law."

REMOVAL OF DISABILITIES OF NAVAL EX-CONFEDERATES.

In my opinion the benefits of the act approved March 3, 1877, which removes the disabilities of those, who, having participated in the rebellion, have since its termination enlisted in the Army of the United States and have become disabled, should be extended to those who served in the Navy.

EXTENDING BENEFITS OF ARREARS ACT TO CERTAIN REGULAR ARMY AND NAVY CASES.

I am very averse to making any suggestion which would amend, alter, or change in any manner the provisions of the so-called arrears act finally approved March 3, 1879; but there is one class of cases against which this act operates most unjustly, and I think the law should be amended so as to cure that defect. I refer to claims of widows and invalid soldiers of the regular Army and Navy, whose rights have accrued since June 30, 1880. They should be allowed a reasonable time, say two to five years, in which to file their applications, and pension should date from the commencement of the accruing of the right, instead of, as now, from the date of the filing of the application.

EXTENDING THE BENEFITS OF THE ACT OF JUNE 16, 1880.

It seems to me that in the provisions of the act of June 16, 1880, an unjust discrimination has been made. I would respectfully recommend that such legislation be had as will admit those who are utterly helpless to the benefits of the provisions of this act, to date from the time when they became utterly helpless; and its benefits should also extend to those who were entitled, by reason of their helplessness, to the rate of \$50, at a date later than the passage of the act, or who, for some other cause, were not actually upon the rolls at that grade on that exact day, but afterwards showed themselves to be entitled from a date anterior thereto.

PENSION AGENTS.

I now come to the consideration of a subject in which I feel great interest. As the pension-roll is becoming daily larger and larger, the duties devolving upon the agents for the payment of pensions are becoming more arduous and complicated. These officers are required, under the strictest possible forms, to furnish sufficient bond in the sum of 150,000, with jus-

tified security to the extent of \$300,000. They are required to give their individual attention almost incessantly to the work under their charge, and yet must intrust many of its details to subordinates. They receive their pay in what seems to me an illogical and roundabout manner. They are not allowed anything for the first 4,000 vouchers. After that they receive a fee of 15 cents for each voucher. Out of the fund thus created they are required to pay for clerical labor, office furniture, stationery, and ordinary postage. Why they should be thus treated as a class, I am at a loss to understand. They are, without exception, men of first-rate abilities, and entitled to the highest confidence, and their record has been almost without a parallel in the history of officers who have had to disburse a like amount of money, for exemptions from loss to the government or mistakes in making wrong payments or otherwise. They should be furnished with stationery and office furniture at the government expense. The roundabout payment of fees should be abolished. They are engaged in disbursing moneys, and will in the present year disburse a sum amounting to something like \$100,000,000. There are eighteen of these pension agents. My recommendation therefore is that they be paid a salary of \$5,000 per annum and a reasonable allowance for necessary clerical assistance; that they be allowed the use of the penalty envelope, as other officers are, and under the same restrictions. Such a change, I am confident, would result in a saving to the government—or at least there would be no increase in the amount annually appropriated for the payment of their services, and would much simplify the business at their offices. The size of the bond required, the tremendous amount of money disbursed by them, and the high character of the men now employed, and the further fact that it will not materially increase the amount required to be appropriated annually for this service, justify the statement, and I therefore make this recommendation.

SPECIAL EXAMINATIONS.

The operations of this division during the last year have been fully set forth in the table submitted with this report, and the results are such that they may be examined, I think, with profit. The plan of affording a claimant an opportunity to be present and cross-examine any witnesses who testify against him, and the cross-examination of witnesses who testify in behalf of the claimant, by the examiner acting on behalf of the government, has been conducive to the establishment of a good feeling between claimants and the Pension Office, and has conveyed, as it properly should, the widespread impression of a desire on the part of the office to execute the pension laws in the spirit of liberality and fairness with which they were framed. The inauguration of any new system radically changing an old one is, of course, at first attended by certain difficulties which longer experience and more careful study will enable the office to avoid or overcome. The whole tendency of the work of this division has been, and will continue to be, to condense as much as possible, and to confine the examination to the particular points clothed in doubt. It is my intention, as soon as it can be conveniently done, to divide the country into about two hundred districts, within each of which a special examiner will be placed, to whom all cases from his district, in which there is absence of record, or where an adverse record is found, and where the claim is sought to be established by parol evidence only, will be referred for special examination. A short, sensible, and careful examination of witnesses at claimant's home, a contact with the claimant or pensioner himself, and the knowledge acquired as to the

estimation in which he is held by his comrades and the community in which he resides, will, I think, put the office in possession of the one thing lacking in order to justly settle claims.

Much time of this force during the past year has been consumed in the re-examination of cases which had previously been specially examined under the *ex parte* system, and the results shown are not, I believe, as satisfactory in the aggregate as they will be at the end of the present year. So far as I can now see, the system in operation gives reasonable satisfaction, and supplies the want which has been felt for many years in the adjudication of cases. Congress, at its last session, clothed special examiners with the power necessary to compel the attendance of witnesses, and was extremely generous in amending the laws pertaining to their duties, so that it would seem nothing was left undone to give the system a full and complete opportunity to accomplish the results aimed at. I find, however, that in one or two particulars omissions have been made, which have been taken advantage of to the injury of the service. First, persons have been found in various parts of the country holding themselves out to be special examiners of the Pension Office, exhibiting forged papers, and by this means have succeeded in committing many frauds upon pensioners. I suggest the enactment of a clause which will make the false personation of a pension examiner a felony, to be punished by fine and imprisonment upon conviction. I would also suggest the enactment of a clause which will make it a high misdemeanor for any person to interfere with a special examiner in the discharge of his duties, by violence, threat, or otherwise, the same to be punishable by fine or imprisonment upon conviction.

WITHDRAWAL OR REDUCTION OF PENSION.

I would suggest that the following be enacted touching the dropping of pensioners from the rolls, or the reduction of rate of pension. As it is now, it is questionable whether there is any law upon the subject to directly give the Commissioner of Pensions the necessary powers or imposing the proper restrictions:

That sections 4771, 4772, and 4773 of the Revised Statutes of the United States, providing for biennial examinations of pensioners, are hereby repealed: *Provided*, That the Commissioner of Pensions shall have the same power as heretofore to order special examinations whenever, in his judgment, the same may be necessary, and to increase or reduce the pension according to right and justice: but in no case shall a pension be withdrawn or reduced except upon notice of not less than sixty days to the pensioner, and a hearing upon sworn testimony, except when the reduction or dropping of an invalid pension is made upon the certificate of a board of examining surgeons.

DESERTION.

The question of desertion in connection with that of title to pension should be definitely settled by law. A pension is in no sense a reward for faithful and meritorious service, but a payment for loss of physical ability to earn a livelihood. Therefore, desertion subsequent to the incurrence of a disability and a refusal of the War Department to change the record should not carry with it a forfeiture of right to pension. The law should provide that pension, in any case in which a charge of desertion stands unremoved, shall commence on the date from which the contract for service in which disabled legally terminated, to be ascertained from the date to which last paid for service: provided, however, that the date of discharge from a subsequent service entered into before the legal termination of the service in which disabled shall be the date from which to commence the pension.

CLERICAL FORCE OF THE OFFICE.

In compliance with the recommendation of my last report, and recognizing the evident necessities of the case, the Forty-seventh Congress brought forward an appropriation bill giving this office a force of 1,559 clerks, involving an annual expenditure of \$1,957,150 for their payment. It is greatly to be regretted that so much time was consumed in the consideration of the details of the appropriation bill, so that it was as late as August 5th before we were enabled to know that the bill had passed, and could take steps looking toward the selection of the large increased force. It was a matter of very great importance that, in order to accomplish the objects aimed at, the force should be selected with great care, and the honorable Secretary of the Interior is to be congratulated upon the general results flowing from the deliberation and care with which he has addressed himself to this most important work.

The appointments made under the bill are for the most part able and worthy men, those who have been soldiers predominating. The number also includes a large proportion of men who have received an academic or collegiate education, and a very large number are men who have brought to the office considerable legal knowledge and experience. The bill by its terms enabled me to perfect the organization and strengthen many weak points, notably the medical consideration given to cases. Selections have been made for medical reviewers which will enable the office to give a much more intelligent consideration to the great majority of invalid cases, which now frequently involve close pathological connections between diseases existing and those contracted in the service, and I think I can now say that the medical division, as at present newly organized, is both in its *personnel* and ability as good as can be had for the salaries which we are able to pay, and is capable of the highest efficiency in that particular division of the office.

As I have said before, it is a matter of regret that we could not have had the benefit of the generous appropriation, and the force thereby authorized, for the whole fiscal year, instead of only for about two-thirds thereof, for the sake of the results expected from us with large addition of clerks. As it is, although all the appointments have been made, yet there are many who have refrained from reporting, and it was not until October 1 that we were able to largely increase the various adjudicating divisions, and not until November 1 that the bulk of the force was sworn in and put at work. This, however, may be remedied, to some extent, if Congress will authorize the employment of the lapsed fund created by our inability to use the entire proportion of the whole appropriation for July, August, September, and October. The pay-roll for those months will have consumed \$454,550.19, while the four months' proportion of the whole year's appropriation is \$652,383.33, leaving an unexpended balance, in the first quarter, of \$197,833.14. I would recommend that you request Congress to place this fund at your disposal, by joint resolution, for the employment of such a temporary additional force for this office as can be carried by it for the remainder of the fiscal year.

TENURE OF OFFICE.

I submit a table herewith which will repay careful examination. It is a showing of the longevity of tenure of clerks in this office, and will be interesting in connection with the general subject of the civil ser-

vice. As will be seen thereby, aside from the clerks appointed in 1881, the average tenure of the clerks in office at the date of preparing this table, to wit, about the 15th of July, 1882, had been six years and one month, and counting in the increased force of 1881 who are still in office, the average tenure of the whole force was four and a half years. This security of tenure to intelligent and expert clerks is, I believe, greatly conducive to efficiency, and offers an assurance to those thereafter appointed that clerks who possess and exercise the desirable qualifications so well and graphically expressed by the President in his message to the present Congress, namely, "probity, industry, good sense, good habits, good temper, patience, manly deference to superior officers, and manly consideration for inferiors," will be recognized as worthy a long and secure tenure, not to be ruthlessly terminated, and is therefore an incentive to good habits and conscientious industry in work.

Number of clerks now in the Pension Office, July 15, 1882, and the several years in which they were appointed.

Year.	No. appointed.	Year.	No. appointed.
1848.....	1	1872.....	23
1853.....	1	1873.....	14
1861.....	7	1874.....	14
1862.....	3	1875.....	22
1863.....	8	1876.....	21
1864.....	4	1877.....	33
1865.....	11	1878.....	40
1866.....	20	1879.....	76
1867.....	7	1880.....	72
1868.....	1	1881.....	240
1869.....	18	1882.....	59
1870.....	12		
1871.....	34	Present number of employees.....	741

Average tenure of force, about four and a half years.

Average tenure of force (exclusive of appointments in 1881-82), about six years.

BUILDINGS AND ACCOMMODATIONS FOR THE FORCE.

Both the two large buildings now occupied by the force of this office, to wit, that upon the "Old Kirkwood House site," on the corner of Twelfth street and Pennsylvania avenue, and the "Eagle Building," formerly occupied by the Census Bureau, on the corner of Thirteenth street and Pennsylvania avenue, were not intended, in their original construction, for the accommodation of any large number of people engaged in the transaction of the public business, yet, by judicious alterations, they have been so arranged as to accommodate the great force of this office with the least possible inconvenience. The crowded condition of the buildings, however, deprives us of much necessary space to properly care for the valuable records of this office, which, once destroyed, could never be replaced, and which are constantly and daily increasing in volume. To such an extent does this increase of valuable archives continue to advance, that it becomes an absolute necessity for the proper preservation of the files, that a fire-proof building of sufficient dimensions be added to the building now occupied, and fire proof files should be likewise provided therein for the proper care and custody of the papers. This will involve an expenditure, as nearly as I can estimate, of about \$50,000; and I ask that you recommend to Congress the appropriation of that sum

for that purpose at the earliest possible moment. I also desire, for the safety of the valuable lives crowded into the above-mentioned buildings, from which, in case of fire or panic, there are no adequate means of escape, that suitable fire-escapes be placed upon both. In my opinion, an appropriation of \$6,000 will accomplish this end and afford the protection to which the persons engaged in the work of the office are entitled. I therefore recommend that Congress be asked to make an appropriation therefor at the earliest practicable date.

THE PENSION POPULATION.

It is an irreparable loss, which can only now be regretted, but which may be repaired in the future, that in the taking of the Tenth Census no provision was made for ascertaining the exact status of the soldiers and pension population of this country. All calculations, without such accurate data which could have thus been furnished, must necessarily be pure estimates, and not entirely reliable because of the lack of known facts. I find upon investigation that there is a lamentable lack of knowledge on the part of the Adjutant-generals of the different States as to the actual number of men enlisted in their States during the war, and what became of them at discharge; and we are, save in a few States, left without accurate knowledge upon this subject.

In my opinion, there is no question so befogged in mystery, and needing so much and more complete knowledge of its detail, than what may be termed the possibilities of the future with regard to the pension business. Having confessed my inability to procure the necessary exact data from the different States, with a few notable exceptions, and it being impossible for the Adjutant-General of the Army, in the present crowded condition of his work, to compile an exact statement of the actual individual enlistments, it may seem presumptuous on my part to offer any prognostications upon this subject. However, as one means to that end I have carefully prepared a statement which is embodied in Table No. 12, which shows the total number of enlistments in each organization from each State, so far as I have been able to procure them, and also a showing of the total applications for pension from each organization, both as to invalids and as to the representatives of deceased soldiers. This being compiled by States will afford you at a glance some idea of what still remains to be done, and what we may expect in the future. Taking such data as I consider reliable, I have made the following computations, and I submit them for your consideration for what they may be worth, hoping thereby to awaken an interest on the part of Congress in the subject, that will result in a still more accurate knowledge of what is to be looked for. The proposition is as follows:

How many persons are there now living who served in the Army during the late rebellion, or who bore a pensionable relation to those who served, who have not yet applied for pension? The Adjutant-General of the United States Army reports the following aggregate of enlistment for the different periods of service, to wit: For sixty days, 2,045; for three months' service, 108,416; for one hundred days' service, 85,507; for four months' service, 42; for six months' service, 26,118; for eight months' service, 373; for nine months' service, 89,899; for one year's service, 393,706; for two years' service, 44,400; for three years' service, 2,028,630; for four years' service, 1,042; making a grand total of enlistment, 2,780,178.

Taking this as the basis of my calculation I have endeavored to ascer-

tain the number of individual enlistments; that is, excluding second, third, fourth, and subsequent enlistments of the same person. The result of my investigation and estimate upon this point shows an aggregate of 2,046,969 different individuals who enlisted for greater or less periods during the war. To this number should be added the number of persons serving in the Regular Army and Navy at the commencement of the war, viz, 16,422. So that the grand total of individual persons who entered the service during the war may be approximately stated to be 2,063,391, and this number includes all individual enlistments in the Army and Navy employed in the suppression of the rebellion.

Up to the 1st of July, 1882, there have been filed by Army invalids, 450,890 applications for pension. Up to the same date there have been filed 294,277 applications on behalf of the service of deceased soldiers. There have been filed by Navy invalids 7,663, and by those representing deceased sailors, 3,294. This makes an aggregate of those who have applied for pension of 756,119 out of the whole number who enlisted, as before stated.

As near as I can ascertain there are about 86,800 representatives of deceased soldiers who have not yet applied for pension, and 1,000,469 survivors of the war who have not yet applied for pension, and 220,000 who died during and since the war, who left no pensionable relatives surviving them. The following tables, numbered 1, 2, and 3, comprehend the above calculation and present them in understandable shape:

TABLE 1.—*Reduced to periods of service only, shows the following aggregates for the different periods in the Army and Navy, to wit:*

Periods of enlistment.	Number.
60 days.....	2,045
3 months.....	108,416
100 days.....	80,007
4 months.....	42
6 months.....	26,118
8 months.....	378
9 months.....	80,800
1 year.....	398,706
2 years.....	44,400
3 years.....	2,028,650
4 years.....	1,042
Aggregate enlistments.....	2,780,178

TABLE 2.—*Estimate of the number of individuals who served during the late war.*

Number who died during the war.....	304,369
Number who were discharged for disability.....	255,545
Deserters (less those arrested and 25 per cent. additional).....	128,352
One-third of those serving terms of less than one year (estimated that two-thirds thereof re-enlisted).....	104,134
One-half of those serving more than one year and less than two years (estimated that one-half re-enlisted).....	224,053
Number in the service May 1, 1865.....	1,000,516
Total.....	2,046,969
Add number in Regular Army at commencement of the war.....	16,422
Aggregate.....	2,063,391

TABLE 3.

Total number of enlistments as reported by the Adjutant-General United States Army (see details in Table 1)	2,780,178
Of which there were counted more than once by reason of re-enlistment...	716,787
Actual individual enlistments during the war (see Table 2).....	2,063,391
Accounted for as follows:	
1. LIVING.—Individual soldiers and sailors who have <i>not</i> applied for pension	1,000,469
2. LIVING.—Individual soldiers and sailors who <i>have</i> applied for pension	458,553
3. DEAD.—Leaving pensionable relatives who have <i>not</i> applied for pension.....	86,803
4. DEAD.—Leaving pensionable relatives who <i>have</i> applied for pension	297,566
5. DEAD.—Leaving no pensionable relatives	220,000
Total.....	2,063,391

As before stated, the information relative to total individual enlistments in each State and Territory is most difficult to obtain, but I have collected from various sources, principally the rosters of each organization, as published in the reports of the adjutant-generals of certain States, a complete list in a few instances, and nearly complete in others, so that of sixteen States I am able to show 72 per cent. of the total individual enlistments. Taking the basis afforded by the above (72 per cent. of the total number of individual enlistments), and we find out of the total number of soldiers who served during the war, pension has been applied for by, or on account of, 26 per cent. of the whole number.

In the States which purport to give the total enlistments, a discrepancy may appear if compared with accessible results, occasioned by the accredited enlistments of certain States belonging to the military organization of another, as they are reported and classified in the latter, but as the enlistments are compared with the number who have applied for pension in each military organization, the proportions or percentages are not affected; *e. g.*, in the State of Kentucky there were credited to her quota of enlistments 22,625, which formed nineteen regiments of colored troops and are classed among the "United States colored troops," and in Michigan there were 5,020 enlistments assigned to fifty-six different military organizations not belonging to that State.

The general proposition, however, is presented, with the best available information at hand, that there is a surviving soldier population of a little over ten hundred thousand, out of which claims for pension in the future may be made by those who incurred pensionable disabilities.

With such an array of figures, and so much to illustrate by them, it is necessary for the reader or student of them to keep in mind the specific purpose which they are claimed to illustrate, otherwise a comparison with results in other tables would seem to show discrepancies.

Taking the grand totals reported in this table, it shows the total number who have applied for pension, 654,578, including the invalids, widows, minor children, and dependent relatives, while a reference to table number 5 shows that 758,380 of the same have been filed. Excluding the old war applications, there remains a difference of nearly 100,000 claims. In the latter and larger number are included all applications filed for pension, which may include an invalid who dies, his widow who applies and remarries, and then the minor children, being in this instance three pension claims on account of the same soldier.

In the former table it has been the purpose to report in each classifi-

cation only one pension or claim for each individual soldier, so that if the invalid applies and is pensioned, dies, and the widow then applies and is pensioned, she dies or remarries, and a claim is made for the minor children and they are pensioned, it is reported but once, and then as a claim for a minor, "admitted," or "pending," as the case may be, without taking note of the former pensions or of the applications, the object not being to show the number who have applied or been pensioned for each individual service, but the number of individual services on account of which pension has been claimed or allowed.

APPEALS.

During the past year there have been 409 appeals from the decision of the Commissioner of Pensions to the Secretary of the Interior. Of this number 26 have been reversed by you and the proper action taken in pursuance thereof. In 284 cases you have seen fit to sustain my action, and 83 cases have been reopened by this office, and 16 cases still remain undecided.

All of the above-mentioned decisions which settle new and leading questions are promptly copied and a carefully printed syllabus of each is prepared, and the same distributed among the force for their instruction. In this connection I cannot in too strong terms state the benefits which have been derived by the preparation and general distribution among the examiners, of the laws, decisions, and rulings of the Secretaries and the orders and rulings of Pension Commissioners. It is my intention to republish the same, revised to date, and also a treatise upon the practice of the department in pension cases, which has been prepared with great care by Deputy Commissioner C. B. Walker, and will prove of incalculable benefit in the expedition and uniform treatment of claims.

In conclusion I wish to express the sense of obligation I am under for the consideration shown me by the Secretary, during my first year's administration of this difficult office. With the means now at my disposal it will be inexcusable, if the largest bureau of this department does not produce results that will reflect credit upon your administration. I trust, however, that you will make some allowance for the time of experienced examiners lost to the present settlement of claims in instructing the new force in their duties. I wish also to say that much of the efficiency of this bureau during the past year is due to the ability and zeal with which I have been supported by my deputy commissioners and chief clerk, and also to the unremitting industry and executive ability of my chiefs of division, as well as the general efficiency of the force under their direction.

Respectfully submitted.

W. W. DUDLEY,
Commissioner.

REPORT OF THE ARCHITECT OF THE UNITED STATES
CAPITOL.

SIR: I have the honor to submit the annual report, showing the progress made since the last annual report in the various works under the direction of the Architect of the Capitol, and a statement of the expenditures made on account of the same during the fiscal year ending June 30, 1882.

THE CAPITOL.

At the beginning of the present Congress several additional rooms were required for the use of committees. So urgent was this demand, that rooms formerly occupied for storage and even ends of corridors have been fitted up to meet this want.

Rooms are now being made, as provided by law, in the crypt for the storing of books connected with the Library of Congress.

The file-room connected with the office of the Clerk of the House of Representatives has been extended in a fire-proof manner and furnished with iron shelving and metallic file-cases.

Bathing-rooms, as provided by a joint resolution, have been fitted up in the basement of the south wing, and the space formerly occupied by them has been annexed to the restaurant and put in condition for use. As many members have expressed a desire to have the marble tubs which were taken from the old bathing-rooms again brought into use, I have caused the two most free from cracks to be placed in the basement, in rooms constructed for that purpose.

The elevator in the House wing has been completed, and that in the Senate is being rebuilt so as to insure additional safety and speed. A warehouse lift, controlled by steam-power, is being put in the Senate wing for the convenient handling of documents connected with the folding-room at the basement.

A large amount of painting and other repairs have been made throughout the building.

The condition of the iron-work of the dome was found to be such that much of the old paint had to be taken off by mechanical and chemical means to get rid of the cracks, many of which had exposed the iron and caused rust stains. This condition appeared mostly confined to that part of the work which during its construction was primed with "plumbago" paint.

The old portion of the copper roof near the dome and over the rooms occupied by the Library of Congress has been so injured by materials falling upon it when the dome was in course of construction that it can no longer be kept weather-tight, and I recommend that a new roof be placed over this portion of the structure the coming building season.

The heating apparatus of both wings has been kept in good running order. Of that of the House of Representatives—the running of which the Architect has more immediate charge—Mr. Lannan, the engineer, in his report, says:

Through the entire session of the last Congress the daily observations commenced last year were continued, accompanied by accurate instrumental tests and measurements. Of that which pertained to the heating and ventilating of the hall of the House of Representatives they have been carefully taken, tabulated, and preserved.

They show for the period embraced in the months of December, January, February, March, and April the following results, viz:

Average relative humidity, per cent	46.75
Average revolution fan per minute	58
Volume of air carried to hall by each revolution of fan, cubic feet	833
Volume of air carried to hall per minute by each revolution of fan, cubic feet	47,872
Volume for each person present, per minute, cubic feet	62
Volume removed for each person present, per minute, cubic feet	72

It will be observed that the volume of air removed was somewhat greater than that delivered. This fact is largely due to the expansion of the air, as the measurements of the air delivered was made at its temperature at the outside, while that of the air expelled was made at the point of exit of the building, where it was heated and consequently increased in volume. During the Garfield memorial services, when there were 2,400 persons present in the hall, the machinery and appliances of this department were severely tested and with most satisfactory results. There were forced into the hall 113,885 cubic feet of air per minute, that being nearly 45 feet to each person per minute. The temperature of the hall was likewise under easy control, as there was but one degree variation of temperature during this whole ceremony, the thermometer ranging between 69° and 70°.

The small fan has been taken down and reset, and the boilers have been repaired and placed in good order. As these boilers have now been in use twenty-four years, they have been stripped of all their coverings, thoroughly examined, and, to all appearances, are perfectly strong and secure; but during the next recess I am of the opinion that extensive repairs will have to be made to them. I am gratified that as a further measure of precaution you have requested the Secretary of the Navy to detail some of the engineer officers of his department to make a further test and inspection of these boilers.

The boilers above referred to have, in conformity with an order from the Navy Department, been inspected by Messrs. John Lowe and W. B. Bailey, passed assistant engineers United States Navy, who report as follows:

The boilers, four in number, were entirely stripped of their brick jackets, thus wholly exposing their exterior surfaces. The fire-boxes were first carefully inspected; during the time each was undergoing inspection the boiler was subjected to a hydrostatic pressure of 110 pounds per square inch, none of the flat surfaces in the fire-boxes showing any signs of weakness.

The following defects were found, however:

In furnace No. 1, three patches about the water-legs and one small blister.

In furnace No. 2, one small crack in the tube sheet and one patch on the water-leg.

In furnace No. 3, two patches and one blister on the water-legs.

In furnace No. 4, one blister, three patches, and one crack.

These defects do not materially impair the efficiency of the boilers, but we would recommend that the blisters be carefully watched and cut out if they are found to increase.

The water was then let out of the boilers, manhole plates removed, and the interior of the boilers examined. The boilers are well and sufficiently braced; the iron, such as can be seen, presents no signs of corrosion, mud deposit, or incrustation.

These boilers were built by Ellis & Sons, of Washington, in 1857, and are consequently twenty-five years old. Notwithstanding their great length of service, owing to good material and workmanship in construction, careful management, and the use of pure fresh water, we find them in good condition, and in our opinion perfectly safe for a working pressure of forty pounds per square inch.

ELECTRIC LIGHTING.

As relates to the machinery for electric lighting, Mr. A. B. Talcott, electrician of the House of Representatives, states that on entering upon his duties February 1, 1882, he found the coils and burners over the Hall of Representatives in excellent condition, and says in his report that—

Through long use the switches had become so burned and oxydized as to be wholly unreliable. It being impossible to make the necessary repairs while Congress was in session, a temporary system of connections was improvised which proved satisfactory for the time being. New switches, less expensive and more readily accessible, will be put in before the reassembling of Congress.

The electric valves, by which the gas is turned on and shut off the burners, have become worn, causing slight leaks. These are now being changed so as to place them under control of the operator at the switch board, and prevent leakage. From long use and frequent temporary repairs the connections between the burners in the Rotunda have become bared so as to form ground connections on the slightest movement of the glass globe. These will be renewed with new coils and supports for the same during the coming month.

The engine, dynamo-machine, and other apparatus are in good condition. During the months of March, April, and May a series of experiments was made by the American Electric Light Company in connection with their incandescent light, but through imperfections in their machinery no results were reached that would furnish data of any value. These experiments were conducted at their own expense, the use of the government engine being allowed them for motive power.

CAPITOL GROUNDS.

Relating to the Capitol grounds, Mr. Frederick Law Olmsted, landscape architect, furnishes the following report accompanied with an appendix, forming an index to trees about the Capitol, with advice to visitors interested in them. He says:

The principal construction works upon the Capitol grounds during the fiscal year ending July 1, 1882, have been the following:

PROGRESS OF CONSTRUCTION.

(1.) The southeast entrance-way, which is now completed, except in respect to lighting arrangements.

(2.) The entrance to the southern system of wheel-ways and walks from Maryland avenue, the stone work of which is complete.

(3.) The wall and coping on the east and south border by which the inclosure of the ground is completed.

(4.) The walls, coping, stairs, and drainage arrangements of the direct approach from Maryland avenue to the west entrance of the Capitol.

(5.) Foundation work of the parapet wall bounding the platform between the base of the Capitol and the central field of turf on the west.

(6.) Twenty-four thousand square feet of plain and 10,000 square feet of "mosaic" artificial stone flagging.

The ground adjoining the several new works of masonry, heretofore temporarily prepared, has been broken up, regraded, with improved modeling of the surface, and sodded or planted.

INCOMPLETE WORK.—THE TERRACE.

In reviewing the present aspect of the Capitol it should be borne in mind that the area within a distance of from 100 to 150 feet of the Capitol, including the slopes beyond the high earth works, remains as it was temporarily prepared twenty years ago pending the design of a general plan for the improvement of the ground. The more nearly the improvement beyond this space is brought to realize its local intention, the more unsuitable, shabby, and disorderly must the central and more conspicuous ground appear, so that the better the work done the less satisfactory is the result as a whole. The anomaly will be more and more marked until the terrace and western stairway shall have been completed and the adjoining ground graded and finished in adaptation to them.

The present Joint Committee on Public Buildings and Grounds have reviewed the plans for these structures adopted seven years ago by Congress, on the recommendation of their predecessors, and it is understood that all its members are convinced that they should be carried out without needless delay. Until Congress adopts this conclusion the Capitol grounds must both be seen at disadvantage and produce impressions unjust to the general design incorporating them.

For the convenience of the committee a brief statement, with illustrative sketches of the plan of the terrace, was prepared last winter.

The construction of the terrace will involve no breaking up of ground or roads or walks already finished, and need cause no inconvenience to the ordinary business of the Capitol.

PROGRESS OF PLANTATIONS.

At the beginning of the year the effect of a summer of extraordinary heat and drought followed by a winter of unprecedented cold, was still marked in the condition of the plantations; with the exception of a few broad-leaved evergreens, they have since recovered and are now growing vigorously. The death of certain shrubs the present

year has been traced to gas leaks, and it is to be hoped that the time is near when through the introduction of an improved economical method of electric lighting the danger attending the use of illuminating gas in planted grounds may be avoided.

The four lines of plane trees on the west of the Capitol are growing very thriftily, but are checked and given lop-sided forms by the interference of what remains of the old avenue trees they are designed to supersede.

This will be obvious on comparing the crowded trees with others of their kind not so affected. The injury is not, as yet, so great that it may not be remedied, but the final removal of the remaining old trees, nearly all of which are plainly diseased or dilapidated, should not be delayed more than another year.

The temporary loss of shade will soon be amply compensated by the overarching of the new trees.

INDEX TO TREES.

There being trees on the ground unknown to many visitors from distant parts of the country, upon a suggestion kindly made by members of Congress, labels have been placed before a large number, giving their names, and a map, index, and references prepared for the use of strangers. To further foster, meet, and lead on to more useful fields any disposition of inquiry that might occur upon the ground in respect to sylviculture, especially with those having little knowledge of the subject, an explanatory account of the plantations has been added, with advice as to opportunities of fuller information. Copies of all are appended.

EXTENSION TO COURT HOUSE, WASHINGTON, D. C.

The extension to this building as authorized by the act of Congress approved February 23, 1881, is now approaching completion. The principal story for the use of the courts and offices connected therewith will be ready for occupation during the present season, and the other portions of the building will be completed during the coming winter.

THE COURT HOUSE.

As the repairs made to the old portion of this building immediately after the storm of June 27, 1881, were only such as were necessary to protect the building and its contents from further injury from storms, many repairs in the interior of the building, such as plastering, painting, &c., occasioned by the storm, were not made at that time. These repairs, together with many others, renewing and repairing heating furnaces, and repairs to tin roof of old portion of building, &c., have been made and paid for out of the appropriation of \$800 made for annual repairs to City Hall.

EXTENSION TO GOVERNMENT PRINTING OFFICE BUILDINGS AND STABLES.

In accordance with the provisions of the act approved March 30, 1881, an extension has been erected to this building 95 feet by 60 feet, four stories high, and a stable for the accommodation of twenty horses, with a shelter for wagons, at a cost within that prescribed by law. The stable, wagon sheds, and fences connected cost \$5,346.26.

BOTANIC GARDEN.

During the present year these grounds have been much improved by cutting down the mound over the "Tiber" sewer, and with the earth from the same filling the lawns to the grade required for the walks.

The heating apparatus, to which two new boilers have been added, has been put in good order for the winter and the necessary painting and reglazing has been done. The concrete walks have been extended. The buildings at the south side of Maryland avenue have been put in a good condition, principally by adding new rafters to the "rose" house and new staging in two of the other houses. Next year it will become necessary to paint the entire conservatory, as much of the iron work is now exposed to the weather.

Statement showing amounts expended from June 30, 1881, to June 30, 1882.

CAPITOL EXTENSION.

For amount of pay rolls, mechanics, laborers, &c.....	\$35,623 68
For amount of labor not on rolls, paid by vouchers.....	508 80
For amount paid for painting material.....	2,287 13
For amount paid for salary of architect.....	4,500 00
For amount paid for plumbers' and steam fitting material.....	2,452 43
For amount paid for hardware and iron.....	1,249 36
For amount paid for disbursing agent.....	1,000 00
For amount paid for lumber.....	1,324 76
For amount paid for marble and granite.....	42 76
For amount paid for freight and express charges.....	150 88
For amount paid for winding and repairing clocks.....	100 00
For amount paid for stationery.....	109 75
For amount paid for forage.....	92 00
For amount paid for fresco painting.....	2,820 00
For amount paid for nickel plating.....	90 00
For amount paid for cement, lime, brick, &c.....	1,487 30
For amount paid for brushes, soaps, sponges, &c.....	354 83
For amount paid for grate bars and castings.....	949 57
For amount paid for tile.....	389 57
For amount paid for rolled iron bars.....	1,082 74
For amount paid for photographs.....	56 56
For amount paid for miscellaneous bills.....	181 25
Amount available July 1, 1882.....	146 63
	<hr/>
	57,000 00

Amount appropriated June 16, 1881.....	\$50,000 00
Amount appropriated for Capitol and general repairs, August 15, 1882.....	2,000 00
Amount appropriated for fitting up bath rooms, July 8, 1882...	3,000 00
Amount appropriated for completion of iron shelving, file room, August 5, 1882.....	2,000 00
	<hr/>
	57,000 00

LIGHTING UNITED STATES CAPITOL AND GROUNDS.

For amount paid for pay rolls, lamplighters and superintendent of meters.....	\$4,692 50
For amount paid for gas consumed.....	23,403 23
For amount paid for electric bells and material for electric lighting.....	251 76
For amount paid for chandeliers, globes, and gas fitting.....	855 57
For amount paid for posts, lamps, and lanterns.....	360 10
For amount available July 1, 1882.....	436 84
	<hr/>
	30,000 00
Amount appropriated March 3, 1881.....	<hr/>
	30,000 00

CAPITOL GROUNDS.

For amount of pay rolls, mechanics, &c.....	\$31,452 95
For amount paid for labor by vouchers, not on rolls.....	481 08
For amount paid for lime, sand, and cement.....	2,177 49
For amount paid for bricks.....	663 99
For amount paid for lumber.....	683 75
For amount paid for hardware.....	321 88
For amount paid for granite and Ohio stone work.....	11,255 29
For amount paid for soil and hauling.....	464 36
For amount paid for artificial stone pavement.....	5,818 07
For amount paid for services of draughtsman.....	1,076 11
For amount paid for moving and repairing engineer's office.....	168 68
For amount paid for miscellaneous items.....	232 09
For amount paid for services of landscape architect.....	2,000 00
For amount paid for traveling expenses of landscape architect.....	217 97
For amount paid for stationery.....	24 35
For amount paid for rent of lot, engineer's office.....	30 00
For amount paid for galvanized iron pipe.....	58 70

For amount paid for plumbing material.....	\$112 67
For amount paid for photographic copies of grounds.....	15 00
For amount paid for painting material.....	35 40
For amount paid for manure.....	200 00
For amount paid for rubble stone.....	57 12
For amount paid for trees, shrubs, and plants.....	679 20
For amount available July 1, 1882.....	1,782 95
	<hr/>
	60,000 00
	<hr/>
Amount appropriated June 16, 1880.....	60,000 00

EXTENSION OF GOVERNMENT PRINTING OFFICE.

For amount expended prior to July 1, 1880.....	\$7,305 18
For amount of pay rolls.....	5,271 47
For amount of labor paid by vouchers, not on rolls.....	1,068 93
For amount for lime, sand, and cement.....	1,033 17
For amount for building stone.....	609 00
For amount for laying building stone.....	1,346 75
For amount for tin work.....	687 46
For amount for laying bricks.....	2,717 87
For amount for bricks.....	4,692 52
For amount for concreting.....	878 12
For amount for plastering and materials.....	269 28
For amount for material for plumbing and gas fitting.....	1,240 00
For amount for cut-stone work.....	609 84
For amount for painting and glazing.....	700 93
For amount for iron beams.....	8,434 20
For amount for lumber, frames, and sash.....	2,277 01
For amount for lightning rods.....	104 00
For amount for stationery.....	32 10
For amount for moving old shop.....	38 50
For amount for rent of shop.....	72 50
For amount available July 1, 1882.....	637 17
	<hr/>
	40,000 00
	<hr/>
Amount appropriated March 3, 1881.....	40,000 00

ENLARGING COURT-HOUSE, WASHINGTON, D. C.

For amount expended prior to July 1, 1880.....	\$8,465 39
For amount for pay-rolls.....	6,226 72
For amount for plumbing material.....	1,151 64
For amount for brick-laying.....	7,573 05
For amount for rubble-stone work.....	163 00
For amount for cut-stone work.....	16,135 32
For amount for advertising.....	22 17
For amount for plastering.....	18 00
For amount for steam-heating.....	2,000 00
For amount for transportation.....	16 00
For amount for rolled-iron beams.....	14,892 59
For amount for painting material.....	563 58
For amount for bricks.....	12,311 22
For amount for tin roofing.....	2,944 55
For amount for hardware.....	390 19
For amount for labor not on rolls paid by voucher.....	648 56
For amount for cement and sand.....	898 50
For amount for lumber.....	2,742 98
For amount available July 1, 1882.....	39,926 54
	<hr/>
	117,000 00

Amount appropriated February 23, 1881, \$117,000.

Very respectfully submitted.

EDWARD CLARK,
Architect United States Capitol.

REPORT OF THE FREEDMEN'S HOSPITAL AND ASYLUM.

FREEDMEN'S HOSPITAL,
Washington, D. C., July 20, 1882.

SIR: I have the honor to submit the annual report of this hospital for the fiscal year ending June 30, 1882.

The year just closed has been an unusually busy one. That some idea of the growth of the institution may be formed, I will state that the monthly average of admissions of patients has been more than double what it was five years ago. The following table will show the number admitted and treated each year for the past five years.

On July 1, 1877, there were 213 patients remaining in the hospital. Five hundred and nineteen were admitted during the year, making a total of 732 treated.

On July 1, 1878, 231 remained in hospital; admitted, 642. Total treated, 873.

On July 1, 1879, 217 remained in hospital; admitted, 817. Total treated, 1,034.

On July 1, 1880, 223 remained in hospital; admitted, 872. Total treated, 1,095.

On July 1, 1881, 225 remained in hospital; admitted, 1,102. Total treated, 1,327.

The average admissions per month during the past year have been 91 $\frac{1}{2}$.

Of the 1,102 admitted, 345 were white and 757 colored. The accompanying tables will show the class of diseases treated. I invite attention to the large number of cases of Bright's disease. I am unprepared to say whether the disease is on the increase or the better methods of diagnosis are such as to enable it to be easily recognized.

The record also shows a large percentage of phthisical cases, especially among the colored patients. I attribute this to the fact that these people are ignorant of the ordinary laws governing health, and are subjected to much physical and moral depression. The febrile cases have also been quite numerous, to which attention is called.

During the year quite a number of surgical operations have been performed, among which may be mentioned the amputation of two thighs, two legs, one arm, and the setting of twenty fractures. The management congratulates itself upon the uniform success that has attended all of these operations. The hospital has at present 300 beds. The capacity can be increased when desired to 400 by utilizing the lecture-rooms connected with the building.

During the year a telephone has been put up, which is of great value in all cases of emergency.

A large percentage of the patients are admitted upon the recommendation of the police authorities. They are, however, subject to a medical examination, and, if proper subjects, a report of the admission is forwarded to the department for approval.

Though the appropriation for the past year was small, admission of any one deserving hospital treatment has never been denied. Patients have been admitted at all hours of the day and night.

The mortality has been large, but this can readily be explained from the fact that many of the patients have only come to the hospital when their cases were hopeless. Quite a number have died in a few hours after admission.

In this community there is a prejudice in the minds of the people to hospitals, and they defer going to them until they have exhausted all

means of support at home. In my judgment there should be a board of visitors appointed who should feel at liberty to visit the institution at all times. Such a board would assist materially, and give the public some conception of the size and facilities the hospital offers, which seem to be poorly understood.

Though established twenty years ago, and general in every sense, admitting, as it does, all classes of citizens, and has a capacity of 300 beds, little seems to be known of it outside of those who are compelled to seek a free hospital. With this class the institution is popular.

The management is constrained to express a regret that the profession of the District have manifested such a little interest in it. Many pensioners who come to the capital have availed themselves of the benefits offered. Their admission is generally upon the recommendation of the Commissioner of Pensions.

Religious services are held three times a week in the chapel, on Wednesday evenings and Sunday mornings and evenings.

The patients are also visited daily at the bedside by the chaplains, who write letters, and perform such other services as may be required of them. These duties are discharged by two theological students. Catholic and other patients are permitted to select their own clergy, who are admitted at all times. During the year, 2,314 out-door patients have been treated in the dispensary which is attached. A report of these cases will be found in the accompanying table. The sanitary condition has been excellent, the decorum of the patients and attendants all that could be desired.

Owing to the poverty of very many of those admitted, clothing has been issued to them.

I would recommend that the government purchase the hospital buildings and grounds. As the institution has become permanent, it is manifestly proper that the property should belong to the government.

Very respectfully,

C. B. PURVIS, M. D.,
Surgeon-in-Chief.

HON. H. M. TELLER,
Secretary of the Interior.

REPORT OF THE COLUMBIA INSTITUTION FOR THE DEAF AND DUMB.

COLUMBIA INSTITUTION FOR THE DEAF AND DUMB,
Kendall Green, near Washington, D. C., October 31, 1882.

SIR: In compliance with the acts of Congress making provision for the support of this institution, we have the honor to report its progress during the year ending June 30, 1882:

The pupils remaining in the institution on the 1st of July, 1881, numbered.....	59
Admitted during the year.....	25
Since admitted.....	27

Total.....	111
------------	-----

Under instruction since July 1, 1881: Males, 94; females, 17. Of these 51 have been in the collegiate department, representing 20 States and the Federal district, and 60 in the primary department. A list of the names of the pupils connected with the institution since July 1, 1881, will be found appended to this report.

HEALTH OF THE INSTITUTION.

General good health has prevailed in the institution since the date of our last report. A case of scarlet fever made its appearance during the month of May in the family of one of our instructors residing in the institution. The child, with its mother, was promptly removed from the building, and no spread of the disease followed.

The prevalence of small-pox in parts of the country not far from Washington suggested the desirableness of a general vaccination of the residents of Kendall Green. Vaccine matter was procured from Z. D. Gilman, of Washington, prepared by Drs. Robbins and Lewis, Brooklyn, N. Y., and applied to more than one hundred persons. In only one case did the operation prove successful.

Application was then made to Dr. Ralph Walsh, of Washington, for matter from his vaccine farm in the vicinity of the city. The same persons were again operated upon, and with scarcely an exception complete vaccination was the result.

One pupil only, Miss Alice Turner, has died since the date of our last report. Miss Turner had been connected with our primary department for four years, and was a young woman of quick mind and irreproachable character. Her death, which occurred at her home just at the close of our school year, was caused by pulmonary consumption.

DEATH OF MISS ANNA A. PRATT.

We are also called to mourn the loss of one who had filled an important position in the institution for many years, and who was greatly beloved by both pupils and officers.

On the 9th day of March last Miss Anna A. Pratt, for fourteen years matron of this institution, ended her earthly labors after a short illness. Her health had been feeble for more than a year, and but a few weeks before her death she tendered her resignation, feeling that she was no longer able properly to discharge her duties. But her services were so highly regarded that her resignation was not accepted, and an arrangement was made for a considerable reduction of her responsibilities and cares, in the hope that with rest her strength might be restored. It was soon apparent, however, that her constitution was hopelessly undermined, and she sank rapidly from what seemed at first a light attack of catarrhal pneumonia. To all who came under her care Miss Pratt was a true mother. Pupils and officers looked to her as such, and appealed to her in any emergency, sure of being met with that kindly interest and sympathy which can only come from the maternal heart. And it was not at moments of unusual need alone that her motherly care was manifested, but at all times as the movement of domestic life of Kendall Green went on was her influence felt. No one can ever surpass Miss Pratt in conscientious devotion to duty; no one can ever fill more successfully than she did the arduous and delicate position she was called upon to occupy. Her record is complete, and she will ever be remembered by those who knew her as one deserving of their highest respect and warmest affection.

The position made vacant by the death of Miss Pratt has been filled by the appointment of Miss Ellen Gordon, lately of Exeter, N. H., and the ability shown by her during the few months she has acted as matron give excellent promise of success in the future.

COURSES OF INSTRUCTION.

The work of instruction in the several departments of the institution has proceeded with no essential changes. The number of pupils taught articulation has been increased, and the result of this branch of instruction has been encouraging.

Classes in drawing have been taught in the college and in the primary department by Mr. Arthur D. Bryant, a graduate of the college in 1880. Mr. Bryant's methods have proved eminently successful, and the progress made by the pupils has been in every respect satisfactory.

PHYSICAL TRAINING.

The results growing out of the work done in our new gymnasium have been most gratifying, whether they are regarded from a moral or a physical point of view. The morale of the institution was never as high as during the past year.

The instances where discipline became necessary have been very few as compared with former years, and the reactive effects of an improved physique on the mental and moral faculties has been markedly favorable in many instances.

During the six months from November 1 to May 1, all the students of the college and the older boys from the primary school were required to spend four hours a week in active gymnastic exercises, viz, an hour on Monday, Tuesday, Thursday, and Friday of each week.

These exercises consisted of dumb-bell practice, in concert, intended to open the lungs, stir the blood, and set in motion the whole body, and in the development of special muscles by the use of a number of ingeniously-prepared machines, designed and furnished by Dr. D. A. Sargent, the director of the gymnasium of Harvard University.

The dumb-bell exercise was acquired with great readiness, and given with precision, the idea of rhythm and time in marching being conveyed by the assistance of drum-beats.

The great benefit arising from the use of the special apparatus has been clearly shown in the uniform increase of chest girths, arm girths, &c., in the erect carriage and springy step of the students, and above all in the desire for *regular* exercise, as shown in their work on days when the exercise was not compulsory.

The physique of each student was carefully recorded in a series of forty-two measurements taken at the beginning and again at the end of the season. The average chest girth of about fifty young men showed the following gains:

	November.	May.
Inflated .....	.897	.918
Repose .....	.853	.864

The measurements given are decimals of a meter.

The greatest gain in chest girth was :

	November.	May.
Inflated .....	.890	.972
Repose .....	.855	.910

Some interesting cases occurred of the development of limbs into symmetrical proportions where marked discrepancies existed when the first measurements were taken.

A single illustration will be sufficient :

	November.	May.
Right calf.....	.377	.388
Left calf.....	.374	.388
Upper right arm.....	.297	.305
Upper left arm.....	.300	.305

TWENTY-FIFTH ANNIVERSARY.

It was on the 23d of February, 1857, that the act of Congress incorporating the institution was accepted and made the basis of their organization by the board of directors. The recurrence of the twenty-fifth anniversary of that day was deemed a fitting occasion on which to invite the President and other prominent officers of the Government of the United States to visit the institution and see something of its workings.

In response to invitations, the President of the United States, the acting Vice-President, the Speaker of the House of Representatives, the Chief Justice of the Supreme Court, the Secretaries of State and War, the Attorney-General, the Postmaster-General, the chairmen and several members of the Committees on Appropriation, the Comptroller and First Auditor of the Treasury, with ladies accompanying them, spent the evening of February 23d last at the institution. They were received by the president and directors of the institution and its officers, in the gymnasium, where an exhibition of athletic exercises was given. The company then passed through the college building to the chapel, where the pupils of the primary departments and the students of the college gave evidence in various exhibitions of the attainments they had made. The exercises were concluded with a pantomime which had been prepared by one of the students of the college, and was given by several of the young men. The visitors expressed great delight and surprise at the progress which had been made by the pupils and students.

EXERCISES OF PRESENTATION DAY.

The exercises of the regular public anniversary of the college took place on the 3d day of May. In the absence of the President of the United States, ex-officio patron of the institution, the Speaker of the House, Hon. J. W. Keifer, called the assembly to order. Expressing his hearty interest in the institution and his regret that he would not be able to remain through the exercises, Speaker Keifer, in a few felicitously-chosen words, invited Hon. George Bancroft, the eminent historian, to take the chair. The exercises were then opened with prayer by Rev. William A. Leonard, D. D., rector of Saint John's church. The candidates for degrees presented essays as follows :

Dissertation—Liberty and Law. Edward Louis Van Damme, Michigan.

Oration—Progress of Agriculture. Lars Larson, Wisconsin.

Dissertation—Grecian Art in the time of Pericles. John Gordon Saxton, New York.

Dissertation—Was America discovered by the Northmen ? George Layton, West Virginia.

Oration—The Scientific Achievements of Faraday. George Thomas Dougherty, Missouri.

Oration—Monuments. Robert Middleton Zeigler, Pennsylvania.

Oration—Contributions from the New World to the Old. Thomas Hines Coleman, South Carolina.

Messrs. Coleman, Zeigler, Larson, and Van Damme were then presented by the president of the college to the board of directors as candidates for the degree of Bachelor of Arts, and Messrs. Dougherty, Layton, and Saxton for the degree of Bachelor of Science.

The honorary degree of Master of Arts was conferred on Lars A. Havstad, of Christiania, Norway, a deaf-mute, who had made unusual acquisitions in science and letters.

Rev. William C. Cattell, D. D., LL. D., president of Lafayette College, then delivered the following address on—

A LIBERAL EDUCATION.

The National College for Deaf-Mutes has a deeper significance than other philanthropic institutions founded to ameliorate the condition of those deprived of hearing and speech. Any institution with this general aim would indeed elicit our profoundest sympathy; for our hearts go out in tender and loving interest towards these brothers and sisters of ours who are deaf or blind—in our Father's house they seem so near to us and they are so far away, in their rayless or silent land, from the high privileges of our common home. And we not only admire and applaud the private philanthropy that holds forth to them its helping hand, but likewise all well directed appropriations for their benefit from the public funds; men who most critically examine the legality and expediency of appropriations from the public treasury—State or national—as they read these appropriations for the blind or the deaf, find their hearts beating faster with generous delight.

But "The National Deaf-Mute College," organized in 1864, means something more than "The Columbia Institution for the Deaf and Dumb," previously established, or any similar institution having in view the general philanthropic object to better their condition. The distinct and definite aim of every college is to afford liberal culture; and while the establishment of this college by Congress emphasizes the value our national legislature places upon these liberal studies which lead to academic degrees, it marks also a great and important advance in the education provided for deaf-mutes, an advance not only in *degree*, but in *kind*. These noble buildings, all this generous scientific equipment, this large faculty of able and distinguished scholars—all this assures us not only of the increased thoroughness and breadth, and efficiency of the special instruction here given to the deaf-mute; but also that, in its enlarged range of instruction, are now included those liberal studies which have for generations attracted the aspiring scholar to the academic groves of Harvard and Yale.

It is therefore no longer a disputed question whether the deaf-mute can or ought to enter upon studies which have for their object something more than to enable him to converse by writing in the absence of articulate speech, or to fit him for some employment by which he may earn his living. Elementary and practical studies are of course of the utmost importance for him as they are for all others; they lie at the very base of all education. But the liberal training which the college gives is yet separate and distinct in its aim, and to some extent in its methods, from that which is given in all other schools, and the day has come for the deaf-mute when there is provided for him a complete college curriculum, leading to the usual academic degrees, and committed to teachers who are not only distinguished for their general culture and scholarship, but who are eminent specialists in the peculiar methods by which all instruction must be communicated to him. And it is high honor for our country that it has led all other countries in this movement. This college for deaf-mutes will always enjoy the proud distinction of having been the first established; as yet, it is the only one.

In responding to the kind invitation of your president to attend the exercises upon this day of presentation for academic degrees, and to offer some remarks, it seems to me not inappropriate to the place and hour to suggest some thoughts upon "liberal education." I do not propose, indeed, to attempt a full exposition of the subject, or to enter upon any formal discussion of the important principles involved in it, but to employ the brief time at my disposal in making some general observations upon this wide theme.

Cicero defines a liberal education to be that which is suited to the character and position of a *liber* or freeman as distinguished from the slave. In his view, which was the general opinion of the age in which he lived, all manual labor, all gainful pursuits, whether mechanical or industrial, were degrading to those of solid birth, who, freed from such sordid occupations and cares, should be educated to discharge with dignity the duties and obligations of their high positions in the state. It is true these duties were pretty much summed up in making a ringing speech in the senate, in taking a creditable part in philosophical and literary discussions, and most of all,

perhaps, in being a good fighter, for the Roman empire was almost continually engaged in war. It was for the slaves to work in the fields or at the trades. Happily this view of labor no longer exists; it is, indeed, essentially opposed to that which now prevails, especially in our own country, where all honest labor is rightfully held to be honorable—"a man's a man for a' that." We have come to a better understanding of what true manhood is, and of what the duties and obligations of freemen really involve; and this higher appreciation of the nature and dignity of man himself, without regarding his position in a privileged class, has led the American people not only to recognize the respectability of all honest labor, but also to insist upon the value and necessity of education, not for the privileged few as their birthright, but for all.

Education, in fact, has come to be one of the enthusiasms of this, perhaps, the most practical country of this practical age; the popular enthusiasm upon this subject is something like the exultant triumph of victors after a hotly contested battle has been fought and won. For not without a great struggle did the principle of education for the masses become the settled policy of governments. "I thank God," said one of the early governors of an American province, "there are no free schools or printing, and I hope we shall not have them these hundred years. God keep us from both!" And so thought and spoke, less than two centuries ago, other governors and men in high places who, upon the subject of education for the masses, seem to have made but little advance from the position taken by Cicero before the Christian era; but in the present age such men are classed with the pre-adamite fossils. It was to a generation that has already passed away that Lord Brougham uttered the memorable and exultant words, "The schoolmaster is abroad!"

But when we come to inquire what it really is that education aims to secure, we shall find conflicting views—not merely as to its methods and appliances, but as to the definite and determinate end which it has in view. Even the derivation and meaning of the word is in doubt, whether we shall regard it as from *edico*, to lead forth, or draw out; or from the kindred *edūco*, to nourish or rear as a nurse cares for one committed to her charge. Varro makes the distinction between these two words, *educit obstetrix educat nutritrix*, and, as the function of the teacher, he adds *docet magister*. The meaning of each of these words, *edūco* and *edūco*, (which are in fact interchangeable in classical Latin), is employed by the advocates of the different theories of education, which have given rise to such prolific discussion at the present day.

There are some who are satisfied with the education which is simply instruction, whose only aim is to render it easier and more certain for a man to earn his living. This is certainly a most desirable result to be secured. I have no sympathy with those who speak contemptuously of this as a "bread and butter" education. We pray for our daily bread; it is an equally solemn duty to prepare ourselves, as best we may in God's Providence, to earn it.

There are others who look beyond this narrow range, and who regard education as that which imparts the knowledge and develops the faculties and powers by which success is conquered upon broader and nobler fields than those occupied by men who are merely struggling for a living; it is by education that men secure high place among their fellows and are able to keep it; or they secure great wealth or whatever else may give them power. Education, in the view of these persons, is of value inasmuch as educated men are, after all, the ruling class; they are here, as in every other country, the power behind the throne. Nor should any man speak lightly of this education. The desire to secure influence and power among men is not unbecoming to a noble nature. We hear much of the anxieties and cares and toils of great wealth and of high position, but these things represent power, and he who wields power beneficently rises to new and great enjoyments. The scepter of such empire may be heavy for the hand that wields it, yet none but the ignoble would cast it down.

But there are those who take another and, I think, a wider, more comprehensive, and more just view of the aim and the value of education. It is that view which has regard to the nature of man, who was created but a little lower than the angels, and who has faculties and powers to be trained and developed with no reference to bread-getting, or even to wealth or power or high place among men. Without discrediting the education which has practical or gainful ends in view, we believe there is a sense in which the student is *an end unto himself*; and within the wide and varied scope of what we call education, there should be methods and subjects which have no direct or immediate reference to what are called practical ends, but which aim to develop those faculties in the possession and use of which man rises to the highest sphere of dignity and enjoyment. This is what we call liberal education—the education that after all is best fitted to the nature of man in view of his personal immortality which belongs to this life as well as that which is to come, and by which he is distinguished from the brutes that perish.

Now, the definite aim of the primary school—useful and even necessary in its place—is to instruct; it is to impart practical knowledge. Of course, if the teacher be skillful and wise (as all teachers should be) it will include training and development; but

this is only incidental to the main objects in view. The child is taught reading, writing, and arithmetic; of these he has immediate and urgent need, whether he goes on to make broader acquisitions in other schools, or closes his books to engage in the busy activities of life. The same thing is true of the technical or professional schools. The student is still taught what will be of practical use to him as a lawyer, a physician, an engineer, or whatever else may be the occupation or profession in life he has chosen. All mental or moral discipline, all training of the higher faculties, all development of character is still subsidiary and incidental in this education—the aim of which, as in primary instruction, is to impart that which is useful and practical.

And hence the desirableness or necessity of distinct and separate studies with different aims and, to some extent, different methods, which, while necessarily including much that is useful and practical, has for its primary object the development of the higher and better nature of the man that is within us. And this is the aim of the college, which has therefore its important and necessary place in every complete system of education. The college keeps in view the two aims of all education, viz, instruction and development, but it reverses them in the order of importance from that of the primary and technical schools, and of all schools for special instruction.

The advocates of liberal education do not claim that it will produce grapes from thorns or figs from thistles. There are men so severely practical that the wisest thing to be done in their case is to teach them the multiplication table, and set them at work; others are so dreamy and emotional that liberal studies will develop in them only the æsthetic craze of the day. But all healthy and well-balanced natures will find in these studies both joy and strength.

In the practical schools of every grade the shortest and easiest way to learn what is set before the student is the best way. The child learns the alphabet that he may learn how to spell and then how to read; and the engineer learns the strength of materials and the laws of force that he may build a bridge; and the surgeon learns what may enable him to set a broken limb. All methods and appliances that save labor and time in the acquisition of such useful knowledge is therefore so much gain. But as the primary aim of liberal studies is development, and as the mind grows only in exercising its own powers, it is evident that to save labor (except ill-directed labor) defeats the very object in view. Therefore, as I have already intimated, the college differs from all other schools, not only in its primary aim, but also largely in its methods. It is really a mental gymnasium, and this indeed is the very name the Germans give to their schools most nearly corresponding in aim to our colleges. He who seeks to strengthen and develop his muscle by the use of a well-appointed gymnasium, must practice many things for the sake of the practice; and so for the sake of the exercise the student goes down into the college palaestra to wrestle with pure mathematics and the classics. The knowledge of these subjects is not a necessity for him in constructing a tunnel, or in drawing up a brief, or in carrying on mercantile or manufacturing enterprises—though it may be said that, in addition to the formation of manly character by liberal studies there has been developed in the exercises of this palaestra the sinewy grasp which in after years has its practical use when the robust athlete takes hold of any subject with which he must wrestle, either in his professional or business life.

And here, did time allow, I would like to discuss some of those questions which are still in debate even among the advocates of liberal education. For example, the proportion of time and labor that should be given to pure mathematics, which seem to lie most remote from any practical use in after life; to psychology and ethics, which have always held their place as high topics of discussion in all schools; to the modern languages and the natural sciences, which more nearly approach to the practical studies of the special schools. And I should have been glad to discuss the value and place in every course of liberal studies of the classical languages and literature, and to examine also what may be hoped for or feared by the friends of liberal education in the general introduction in all our colleges of a course of liberal studies leading to a different degree from that of B. A.—excluding the ancient languages, but aiming to secure by the use of the modern languages and literature, and with the employment of the old and approved methods of liberal teaching and the aid of modern philological research, the same kind and degree of culture as the old course, with its Greek and Latin. And more important than all, as it seems to me, is the discussion of the question, how shall this liberal education be so infused with the principles and spirit of the great Teacher that the religious nature of man, as well as of his moral and mental, may have its full development.

But I forbear to enter upon these questions, and would merely point you to the existence of both of these courses of study (classical and scientific), not only in this college, but in the hundreds of colleges all over our land, as the evidence of the popular appreciation of liberal culture, and also as showing the substantial agreement of all college education in both the old and new course of study as to subjects and methods.

But I may not conclude even this brief meditation without noticing the reproach brought against liberal studies, that they serve only to make men of ideas—men who are not practical, who are not men of affairs. To these objectors, it is but the dream of the sentimental enthusiast that we should strive to attain unto the great ideal of the true, the beautiful, and the good, which is in the soul of every man; they regard as idle vaporing the language of Aristotle, that “the harmony of the celestial spheres should be echoed in the soul of an educated man.” There is not enough of common ground upon which we can stand to seriously argue with such men. We meet their assertions with counter assertions from those trained in these studies, and who know that the life is more than meat. The silent halls of this college have known such men. One of the noblest and most gifted among these students but recently closed his books and went forth into the beautiful land that is afar off. Deaf to all sounds of earth he had yet heard in his soul this “celestial harmony.” Writing to his sister, after he had given up his studies, through the weariness and exhaustion of long sickness, and while waiting for the final summons, he says:

“It will take away half the bitterness of death to have been allowed to learn something; to have obtained one glimpse across the hills and valleys, away off into that promised land of perfect knowledge, perfect love, perfect purity, for such I take to be the true result of study. The more one learns, the clearer does he see God’s wondrous goodness, the closer is he drawn to all things holy.”

And this noble youth was but one among many who, in “learning something,” has drawn nearer to the great ideal. Are we not conscious of a restless discontent with our present capacities and attainments? Are we not all of us (in our better moods) striving to become purer and nobler than our present selves. And the sacred voice which is ever thus calling to us *EXCELSIOR*, is not the dream of the visionary and the enthusiast. There is that which is true, and beautiful, and good, in addition to that which is practical and gainful. If liberal education, that leads up to the realization of this ideal is an education of ideas, then we assert that it is ideas which rule the world; they are the permanent forces in the world’s development, and, as Schiller says, “all ideas must have been realized in knowledge before they can realize themselves in history.” And we claim that liberally-educated men are not selfish enthusiasts or useless drones—rather are they the distributors of beneficial and powerful influences that affect the destinies of individuals and of nations. And this influence is not only for the age in which they live. These scholars, remote from manufactories, and railroads, and shops, are like the base of supplies established along the line of an advancing host, and it is from them that society is strengthened and replenished at every stage of its progress in its upward and onward march till it enters the golden gates of the city of God.

The exercises of the day were concluded with the benediction by Rev. James H. Cuthbert, D. D., pastor of the First Baptist Church.

At the close of the academic year, in June, degrees were conferred in accordance with the recommendations of presentation day.

RECEIPTS AND EXPENDITURES.

The receipts and expenditures for the year now under review will appear from the following detailed statements:

I.—SUPPORT OF THE INSTITUTION.

Receipts.

Balance from old accounts.....	\$964 47
Received from Treasury of the United States.....	53,500 00
Received for board and tuition.....	2,611 11
Received from manual labor fund.....	313 60
Received for books and stationery sold.....	293 03
Received for work done in shop.....	177 59
Received from sale of live stock.....	323 25
Received from sale of gas.....	163 40
Received from sale of milk.....	132 84
Received from sale of wheat.....	225 42
Received for shoe repairs and clothing.....	190 75
Received from the sale of old furniture and lumber.....	111 64
Received from sale of ashes, grease &c.....	86 62
Received for medical attendance and medicine refunded.....	18 65
Received for damage to grounds.....	1 00
Received for funeral expenses refunded.....	24 34

59,137 71

Disbursements.

Expended for salaries and wages	\$29,726 26
Expended for groceries	2,593 32
Expended for meats	4,856 19
Expended for potatoes	672 70
Expended for incidental and household expenses, marketing, &c.	2,427 15
Expended for butter and eggs	2,348 32
Expended for repairs on buildings	2,603 11
Expended for furniture	401 02
Expended for live stock	260 00
Expended for books and stationery	701 74
Expended for farm tools, seeds, &c.	285 50
Expended for lumber	953 37
Expended for printing	119 90
Expended for ice	151 61
Expended for drugs and chemicals	230 37
Expended for carriage and wagon repairs	242 75
Expended for hardware	398 12
Expended for fuel	2,343 82
Expended for blacksmithing	83 50
Expended for harness and repairs	49 00
Expended for rent of telephones	141 63
Expended for flour and feed	985 84
Expended for dry-goods and shoes	197 23
Expended for manure	67 60
Expended for gas	1,224 82
Expended for paints, glass, &c.	267 32
Expended for expenses of directors' meetings	51 00
Expended for freight on apparatus for gymnasium	41 00
Expended for clothing and shoe repairs	367 26
Expended for flowers, plants, &c.	82 00
Expended for milk	595 20
Expended for entertainment of pupils	7 50
Expended for medical and surgical attendance	651 00
Expended for illustrative apparatus	121 25
Expended for board and care of pupil at institution for feeble-minded children	300 00
Expended for apparatus for gymnasium	301 60
Expended for bread	1,178 43
Balance unexpended	1,108 28
<hr/>	
59,137 71	
<hr/>	

II.—BUILDINGS AND GROUNDS.

Receipts.

Balance from old account	\$182 17
Received from Treasury of the United States	8,242 07
<hr/>	
8,424 24	
<hr/>	

Disbursements.

Expended for balance of contract with H. Connadis	\$6,845 00
Expended for compensation of Supervising Architect	320 00
Expended for grading	20 00
Expended for work on bowling alley	84 00
Expended for furnace	175 00
Expended for fitting up gymnasium	350 24
<hr/>	
8,424 24	
<hr/>	

The following estimates for the service of the fiscal year ending June 30, 1884, have already been submitted.

For the support of the institution, including salaries and incidental expenses, and \$500 for books and illustrative apparatus, and \$2,500 for general repairs, \$55,000.

To provide enlarged accommodations for the use of students, and additional hospital room by the construction of two small detached buildings, \$10,000.

For the improvement and enclosure of the grounds, \$5,000.

The first estimate is the same in amount as the appropriation for the current year. The number of pupils will undoubtedly be somewhat larger next year than it now is; but this will involve no increase in our salaries and wages, and it is hoped that the prices of provisions may be lower than at present, so that the increased number can be provided for without the occurrence of any deficiency.

The estimates for improvements to our buildings and grounds, are to provide for matters which will contribute very greatly to the well-being of the institution.

The construction of the Boundary street sewer, now being carried by our grounds, will leave our front in a condition which will necessitate the erection of some substantial and permanent enclosure. It is expected that the section near us will be completed before next summer. It would be desirable, therefore, to have the appropriation for the improvement and enclosure of the grounds made available during the current fiscal year.

To the appropriation of \$55,000.00 for the current expenses of the institution for the current fiscal year, the following proviso is attached: "*Provided*, That no more than \$22,000 of said sum shall be expended for salaries and wages." The directors are under the impression that this provision of law must have been adopted by Congress without a full understanding of the needs of the institution and the character of the services that are required in doing its work.

From a careful examination recently made into the organization of institutions similar to this, and on inquiry as to the salaries paid, it appears that the number of persons employed in this institution is by no means unreasonable, while the salaries are in no cases higher, and in many instances are lower than those paid to officers of similar grades in schools for the deaf, and in colleges for the hearing of the first rank, as well as in the educational institutions sustained by the government, and in the scientific branches of the public service. It is evident, from the comparison thus instituted, that if changes are to be made in the salaries paid here increased rates should be allowed in several instances.

A comparison drawn between the per capita cost of maintaining this institution and the Military and Naval academies will show that the pro rata expense in those institutions is about two and a half times as great as in this. And yet the period of instruction here extends over thirteen years, while at West Point and Annapolis it is limited to four, and the number of our pupils is less than one-half that in each of the establishments named; both these facts tending to increase expense in this institution in that they necessitate more classes and proportionally a greater number of instructors.

It is true that the cost per pupil in this institution is greater than in any of the State institutions for the deaf and dumb. But this is fully

accounted for when it is remembered that the State institutions bear the same relation to our collegiate department that the primary schools of the country do to the colleges and universities.

A course of study is given here equal in grade and scope to that afforded in the best colleges of the land. Deaf young men from all parts of the country, who have graduated from the State schools, seek our college as the only place in the world where they can secure the higher education that their more favored brothers may find in the colleges of their own State or section.

And when the cost of educating the mute young men of our college is compared with the expenses incurred in behalf of hearing young men in ordinary colleges, it will be found that no charge of extravagance or unnecessary outlay can be justly brought against this institution.

If the proviso above referred to should remain in force, it would be impossible to carry the work of the institution through the present fiscal year with the means provided by Congress. A reduction of more than seven thousand dollars in our salaries and wages, if applied to yearly rates, would force many of our officers to seek positions elsewhere, which they could easily find, and it would be impossible to supply the places of such with experienced and capable persons.

Or if the reduction were to be made by stopping all salaries and all work at the time when the twenty-two thousand dollars shall be exhausted, our students and pupils would have to be sent home at great sacrifice, of valuable time, our schools closed with the labor of the year incomplete, and all persons employed by the institution subjected to gross injustice.

In view of all these considerations, the directors do not hesitate to urge, respectfully but very earnestly, that the attention of Congress be called to this matter, with the hope that on further consideration the propriety of the repeal of the proviso may become evident.

CONVENTION OF AMERICAN INSTRUCTORS.

The quadrennial convention of instructors of the deaf and dumb in the United States and Canada was held at Jacksonville, Ill., in the State institution for deaf mutes during the closing week of August last.

There were more than one hundred and sixty delegates present from twenty-eight institutions. This institution was represented by Assistant Professor Draper, Professor Gordon, Professor Fay, and President Gallaudet, the latter being chosen president of the convention.

Many subjects of interest and importance in our work were discussed. Many valuable suggestions as to methods of instruction were brought forward. Abundant opportunity was had for that personal interchange of views and experience which is of equal if not greater worth than the reading of formal essays; and at the conclusion of the meeting it was agreed that no more satisfactory and helpful gathering of instructors in our profession had ever been held.

Every member of the convention left Jacksonville with a deep and lasting impression of the warm-hearted hospitality that had been shown them by the able superintendent of the institution, Dr. Gillett, and his corps of assistants, and of the generous manner in which the great State of Illinois had provided for the education of her deaf children.

Among the numerous matters considered and acted upon by the convention, the only one which claims a place in this report is the following series of resolutions relating to our college, the unanimous adop-

tion of which will be a source of gratification to all interested in our attempt to provide the deaf of our country with collegiate training.

Prof. J. L. Noyes, of Minnesota, presented the following resolution, which was seconded by Dr. Thomas MacIntire, of Michigan, and unanimously passed :

Whereas the National Deaf-Mute College, in Washington, D. C., has rendered great and efficient aid in advancing the cause of deaf-mute education in the United States; and

Whereas the funds for the support of the college come from the National Treasury (as is proper): Therefore,

Resolved, That we, directors, superintendents, principals, and instructors in America, assembled in this their tenth convention, extend to the authorities and faculty of the college our grateful recognition of the good work already accomplished, and would respectfully urge upon them the importance of increasing the facilities and perfecting the curriculum and all the appliances of the college as best they can from time to time, that the graduates may enter the various professions and spheres of life open to them with an education, culture, and character that shall in no way be inferior to that of the highest graduates of the best colleges of the land; and, moreover,

Resolved, That we earnestly commend to the favorable consideration of our Senators and Representatives in Congress the deaf-mute college in Washington, D. C., and respectfully ask that they use their influence, not only to foster and support this national institution, but also from time to time increase its funds, so as to enable the authorities of the college to enlarge or increase the appliances in a manner becoming this national institution, destined to be so useful and beneficial in its influence upon the various institutions of the land and upon this increasing portion of our population.

Resolved, That the secretary furnish Dr. E. M. Gallaudet, president of the college, a copy of these resolutions.

EDUCATION OF THE BLIND.

Appended to this report will be found a statement from F. D. Morrison, superintendent of the Maryland Institution for the Blind, as to the number of United States beneficiaries in that institution during the past year, and as to the progress they have made. The blind children are in the Maryland institution under the provisions of section 4869 of the Revised Statutes, and with the approval of the president of this institution, as required by law.

EDUCATION OF THE FEEBLE-MINDED.

One child belonging to the District of Columbia has been under instruction during the past year at the Pennsylvania Institution for Feeble-minded Children, located at Elwyn, near Philadelphia, at the expense of the United States, as provided for by law. Applications in behalf of children similarly afflicted should be made to the president of this institution.

ACTS OF CONGRESS CONCERNING THIS INSTITUTION.

In our Twelfth Annual Report, that of 1869, all the acts of Congress relating to this institution which had been passed up to the date of that report were published. The completion of the twenty-fifth year of the existence of the institution is deemed a fitting occasion for a similar publication. In the appendix to this report will be found a transcript of all legislation had in Congress concerning this institution from 1869 to the end of the last session of Congress.

In this connection attention is respectfully called to the fact that in the preparation of the Revised Statutes several important provisions

of law relating to this institution do not appear in chapter five, title fifty-nine, as they ought to do, and the suggestion is offered that Congress take the necessary steps to have the needed amendments made to the Revised Statutes.

All of which is respectfully submitted by order of the board of directors.

E. M. GALLAUDET,
President.

Hon. HENRY M. TELLER,
Secretary of the Interior.

REPORT OF THE BOARD OF VISITORS OF THE GOVERNMENT HOSPITAL FOR THE INSANE.

GOVERNMENT HOSPITAL FOR THE INSANE,
Near Washington, D. C., October 1, 1882.

SIR: In accordance with the law establishing the hospital the Board of Visitors have the honor to submit their twenty-seventh annual report.

A condensed summary of the changes of population and results of hospital treatment is given in the following tables, to which attention is respectfully called:

Summary.

	MALES.	FEMALES.	TOTAL.
Remaining June 30, 1881.....	720	275	995
Admitted during the year ending June 30, 1882.....	179	90	269
Whole number under treatment.....	899	365	1,264
Recovered.....	81	47	128
Improved.....	21	14	35
Unimproved.....	10	4	14
Not insane.....	1	1	2
Died.....	17	10	27
Total discharged and died.....	109	72	181
Remaining June 30, 1882.....	790	293	1,083

Admission and discharge.

	MALES.		FEMALES.		TOTAL.
REMAINING JUNE 30, 1881.					
Army.....	White 415	445	3	3	448
	Colored 30				
Navy.....	White 15	44			44
	Colored 2				
Marine Hospital Service.....	White 3	10			10
	Colored 7				
Civil life.....	White 182	182	185	185	367
	Colored 48		67		

Admissions and discharges—Continued.

			Males.	Females.	Totals.
REMAINING JUNE 30, 1882.					
Army.....	{ White ...	410	420	3	423
	{ Colored ..	10			
Navy.....	{ White ...	49	49	3	49
	{ Colored ..				
Marine Hospital Service.....	{ White ...	11	14		14
	{ Colored ..	3			
Civil life.....	{ White ...	168	226	167	433
	{ Colored ..	58		61	
			709	230	942

NOTE.—There were six less persons than cases under treatment in the course of the year by reason of six readmissions.

Monthly changes of population.

Date.	Admitted.			Discharged.						
	Male.	Female.	Total.	Male.	Female.	Total.	Died.			Total discharges including deaths.
							Male.	Female.	Total.	
July, 1881.....	14	7	21	2	3	5	4		4	9
August, 1881.....	14	13	27	6	4	10	3	2	5	15
September, 1881.....	15	1	16	26	5	31	5		5	36
October, 1881.....	11	3	14	6	1	7	6	1	7	14
November, 1881.....	13	5	18	5	7	12	11	2	13	25
December, 1881.....	16	6	22	6	1	7	3		3	19
January, 1882.....	18	5	23	6	1	7	4	1	5	12
February, 1882.....	12		12	5	1	6	7	1	8	14
March, 1882.....	14	6	22	11	3	14	15	7	22	36
April, 1882.....	7	6	13	10	4	14	9	2	11	24
May, 1882.....	18	6	24	9	3	12	6	9	15	27
June, 1882.....	26	9	35	3	1	4	1	2	3	7
Totals.....	178	69	247	95	34	129	74	27	101	230

Physical condition of those who died.

Apoplexy.....	9	Malarial fever.....	2
Apoplexy, epileptic.....	1	Marasmus.....	2
Bright's disease.....	4	Organic disease of brain.....	22
Cholesteræmia.....	1	Organic disease of brain and spinal cord.....	2
Capillary bronchitis.....	2	Paresis.....	11
Cirrhosis of liver.....	1	Phthisis pulmonalis.....	12
Diarrhœa.....	10	Pneumonia.....	3
Exhaustion from chronic mania.....	1	Paraplegia and inanition.....	1
Exhaustion from acute mania.....	3	Peritonitis.....	1
Epileptic convulsions.....	1	Senile debility.....	2
Cancer of stomach and intestines.....	2	Typhoid fever.....	1
Fatty degeneration of liver, and œdema of lungs.....	1	Ulcer and stenosis of duodenum.....	1
Heart disease.....	3		
Inanition.....	2		
			101

Duration of the mental disease of those who died.

Less than one month	1	Twelve years	3
Two months	1	Fourteen years	4
Four months	3	Fifteen years	1
Five months	3	Sixteen years	3
Eight months	1	Seventeen years	2
One year	9	Eighteen years	1
Two years	9	Nineteen years	1
Three years	11	Twenty years	2
Four years	10	Twenty-one years	1
Five years	6	Twenty-four years	1
Six years	4	Twenty-seven years	1
Seven years	2	Twenty-eight years	1
Eight years	4	Unknown	11
Nine years	2		
Ten years	2		
Eleven years	1		
			101

Duration of disease on admission.

		Males.		Females.		Totals.	
LESS THAN SIX MONTHS.							
Army.....	{ White	34	34			34	
	{ Colored						
Navy	{ White	9	9			9	
	{ Colored						
Civil life.....	{ White	23	28	5	7	35	
	{ Colored	5		2			
LESS THAN ONE YEAR.			71			7	78
Army.....	{ White	8	10			10	
	{ Colored	2					
Navy	{ White		1			1	
	{ Colored						
Marine Hospital Service.....	{ White	1	9	2		11	
	{ Colored						
Civil life.....	{ White	9	9		2	11	22
	{ Colored		20			2	
ONE TO TWO YEARS.							
Army.....	{ White	12	12			12	
	{ Colored						
Navy	{ White	7	7			7	
	{ Colored						
Marine Hospital Service.....	{ White	2	3			3	
	{ Colored	1					
Civil life.....	{ White	16	24	7	8	32	54
	{ Colored	8		1			
OVER TWO YEARS.			46			8	
Army.....	{ White	2	2			2	
	{ Colored						
Navy	{ White						
	{ Colored						
Civil life.....	{ White	4	4	1	1	5	
	{ Colored						
			6			1	

NATIVE BORN.		FOREIGN BORN.	
District of Columbia	589	Ireland	1,109
New York	401	Germany	736
Maryland	380	England	130
Virginia	388	France	53
Pennsylvania	288	Canada	48
Ohio	145	Scotland	38
Massachusetts	124	Switzerland	15
Maine	60	Italy	22
Illinois	51	Denmark	15
Connecticut	45	Norway	10
New Hampshire	50	Sweden	13
Indiana	41	Poland	11
Kentucky	39	Russia	7
Michigan	30	Austria	7
New Jersey	36	Nova Scotia	9
Tennessee	25	Spain	4
Wisconsin	21	Holland	6
Vermont	27	Wales	4
Missouri	24	Portugal	3
Rhode Island	17	Hungary	4
Delaware	14	Mexico	3
North Carolina	21	Saxony	4
Alabama	8	Malta	3
South Carolina	9	Belgium	3
Iowa	4	Buenos Ayres	1
Georgia	10	Costa Rica	1
Mississippi	11	Bavaria	2
Louisiana	7	Sicily	1
West Virginia	9	British Columbia	1
Kansas	2	British Possessions	1
Florida	2	East Indies (British)	2
Texas	4	West Indies (British)	5
California	3	West Indies (Hayti)	1
Choctaw Nation	2	New Brunswick	1
Colorado	1	Cuba	2
Arkansas	1	China	1
Indian Territory	1	Sandwich Islands	1
Total	2,890	Coast of Africa	2
		Cyprus	1
		Turkey	1
		Total	2,281

Native born.	2,890
Foreign born.	2,281
Unknown	239

Total 5,410

FORM OF DISEASE IN THOSE ADMITTED.

	Total last year.	Admitted during year.	Total.		Total last year.	Admitted during year.	Total.
Mania, acute	1,878	58	1,936	Kleptomania	3		3
Mania, chronic	816	47	863	Nymphomania	3		3
Manicomania	638	42	680	Imbecility	43	7	50
Dementia	1,293	61	1,354	Opium eaters	11		11
Dementia, senile	56	6	62	Not insane	4	3	7
Paranoia	65	8	73	Total	5,163	247	5,410
Dipsomania	351	15	366				
Pyromania (Bell's disease)	2		2				

COMPLICATIONS OF THOSE ADMITTED.

	Total last year.	Admitted during year.	Total.		Total last year.	Admitted during year.	Total.
Epilepsy	285	13	298	Periodicity	195	.....	195
Apoplexy	2	.....	2	Postural state	40	6	46
Paralysis	122	1	123	Cerebral	8	1	9
Suicidal disposition	159	3	162	Natural	32	1	33
Homicidal disposition	50	.....	50	Post febrile condition	44	.....	44

As far as could be ascertained, the volunteers of the Army and Navy under treatment during the year ending June 30, 1882, entered the service from the following States:

	Army.	Navy.	Total.		Army.	Navy.	Total.
New York	40	.....	40	Nebraska	2	.....	2
Ohio	27	.....	27	Kansas .....	.....	.....	.....
Pennsylvania	18	.....	18	Delaware	1	.....	1
Indiana	20	.....	20	Virginia .....	.....	.....	.....
Michigan	11	.....	11	Minnesota	1	.....	1
Illinois	16	.....	16	Iowa	3	.....	3
Wisconsin	10	.....	10	North Carolina	1	.....	1
Missouri	4	.....	4	California	1	.....	1
Connecticut	7	.....	7	New Mexico	1	.....	1
New Hampshire	3	.....	3	Kentucky	1	.....	1
Vermont	1	.....	1	Louisiana .....	.....	.....	.....
Maryland	7	.....	7	West Virginia	2	.....	2
Massachusetts	15	.....	15	Unknown	10	1	11
New Jersey	4	.....	4				
Maine	6	.....	6				
Tennessee .....	.....	.....	.....	
					212	1	213

Tabular statement of the time of life at which the 5,410 cases treated since the opening of the Institution became insane.

	1881.	Admitted.	1882.
Under 10 years	82	5	88
Between 10 and 15 years	55	2	57
15 and 20 years	323	13	336
20 and 25 years	343	33	376
25 and 30 years	1,038	38	1,076
30 and 35 years	200	22	222
35 and 40 years	600	26	626
40 and 45 years	197	18	215
45 and 50 years	273	9	282
50 and 60 years	254	17	271
60 and 70 years	143	10	153
70 and 80 years	50	3	53
80 and 90 years	7	1	8
Unknown	84	47	131
Not insane	4	3	7
Total	5,163	247	5,410

Private patients.

		Total.
There were at the beginning of the year	9 males, 8 females ..	17
Received during the year	7 males, 4 females ..	11
Whole number under treatment	16 males, 12 females ..	28
Discharged during the year	7 males, 4 females ..	11
Remaining at the end of the year	9 males, 8 females ..	17

Table showing the history of the annual admissions since the opening of the hospital, with the discharges and deaths, and the number of each year remaining June 30, 1882.

Years.	Admitted.				Of each year's discharged and died in 1882.										Total discharged and died of each year's admissions.						Remaining of each year's admissions, June 30, 1882.									
	New cases.		Relapsed cases.		Recovered.		Improved.		Unimproved.		Died.		Recovered.		Improved.		Unimproved.		Died.											
	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.	Male.	Female.										
1855	26	37																				4	4	8	4					
1856	36	31																				3	3	6	6					
1857	24	25	1	2																		6	11	9	13					
1858	27	11	2	3																		4	7	6	4					
1859	45	15	2	3																		2	4	24	13					
1860	67	19	1	5																		4	20	4	24					
1861	60	30	4	1																		17	11	28	4					
1862	172	11	2	1																		17	11	28	4					
1863	323	18	7	7																		17	11	28	4					
1864	462	23	22	2																		17	11	28	4					
1865	432	34	26	2																		17	11	28	4					
1866	482	24	12	4																		17	11	28	4					
1867	71	18	17	3																		17	11	28	4					
1868	105	28	15	5																		17	11	28	4					
1869	114	32	19	3																		17	11	28	4					
1870	130	36	16	10																		17	11	28	4					
1871	117	28	11	6																		17	11	28	4					
1872	120	33	22	6																		17	11	28	4					
1873	130	37	23	14																		17	11	28	4					
1874	165	27	20	20																		17	11	28	4					
1875	155	37	24	14																		17	11	28	4					
1876	136	37	30	10																		17	11	28	4					
1877	119	37	28	14																		17	11	28	4					
1878	109	31	29	13																		17	11	28	4					
1879	138	42	31	11																		17	11	28	4					
1880	135	33	32	11																		17	11	28	4					
1881	145	51	24	11																		17	11	28	4					
1882	151	59	27	10																		17	11	28	4					
Totals.	3,900	820	449	181	5,410	62	21	83	31	8	39	2	5	7	74	27	101	1,968	282	2,250	592	173	765	123	54	177	1,017	259	283	912

NOTE.—In the 31 male recoveries for 1881-'82 two not insane are included.

The total number of admissions, 247, is somewhat in excess of the annual average of admissions for the last few years, while the whole number under treatment, 1,172, is larger than that of any previous year. The daily average number resident is 929. The number of cases reported as having recovered is 81, it being a little more than one-third the whole number of discharges, including deaths. The total mortality of the year was 101, it being about 8.6 per cent. of the whole number under treatment. This, while not excessive as compared with other hospitals, is somewhat above the average annual mortality here for the last ten years. A considerable number of cases of intermittent fever have occurred, and during the early months of spring, when the river water was rendered very impure by the melting snows and surface drainage, a bilious diarrhœa of a somewhat obstinate type appeared, which proved fatal in a few cases of feeble persons. But aside from this the general health of the hospital inmates has been good, and the increased mortality seems to have resulted mainly from the termination of an unusual number of chronic cases of brain disease, more than one-third of the deaths having resulted from that cause alone. In only nine cases, out of the ninety deaths in which the duration of the insanity was known, had it been less than one year's standing. The hospital has now arrived at the time when a moderate increase in the yearly death-rate is to be expected, from the fact that a very considerable portion of the population of the institution is made up of the late volunteer soldiers who have for many years been inmates and are now growing old. The question of the continued use by the hospital of the water from the Anacostia River, which is every year becoming more impure, has been happily settled by Congress at its last session appropriating the means to provide a supply of pure water for all purposes. It is thought that this can be best and most economically obtained by bringing the Potomac aqueduct water under the river from the mains already laid in the city. Steps are now being taken to accomplish this, and it is confidently expected that the work will be completed before the time for the next annual report.

The legislation of Congress at the last session, which provides at this hospital for the care of the insane from the Home for Disabled Volunteer Soldiers will result in a considerable increase in the number of Army patients, a class that, as the wards of the nation, have a special claim to hospital care.

In providing the additional accommodations thereby rendered necessary it will be possible and desirable to carry out the plan already commenced in the recent additions to the hospital, of providing detached buildings, or at least distinct wards for certain classes of the insane. With upwards of a thousand patients from whom to select it would be strange if we did not find a considerable number who could enjoy within the grounds the same liberty which is accorded to the inmates of the Soldiers' Homes, and on the other hand the provision of greater security for the criminal and dangerous class apart from their fellows would allow of greater latitude in the care and surroundings of all the rest. With the completion of the proposed extensions and detached buildings we shall have upwards of forty wards for the classification of our inmates. This would seem to give us all the variety of arrangement and subdivision which a progressive philanthropy requires, or that is consistent with the economical management of the hospital. Indeed, a moderate increase of expenditure will be found to result from the multiplied subdivision and thorough classification which the comfort and, we believe, the best interests of the insane demand. But in their care the question

ought never to be how cheap, but how well. So in their employment, the listless, idle life is to be met and provided for. The problem of the economy of the labor of the insane is at best but a secondary consideration. The experience of another year's occupation of our work-room for indoor occupation has not led us to think of its abandonment. The enthusiast who, with no power or right to compel the insane to labor, expects the most of his patients to undertake anything like continuous work indoors or out, will probably be disappointed. Labor is still regarded as the "primal curse" by the majority of our inmates; but the total number of hours spent in the brush shop is on the increase, and, with the provision in the law enabling the hospital to dispose of surplus products for its own benefit, we hope to make the industry self-supporting. The inmates seem cheerful at their work, and are better content; they have some tools, but it is observable that accidents, when they occur, do not happen there; the violence is not at their hands, very much as elopements are generally from locked doors and guarded windows. Of course the selection of patients into whose hands tools can be safely put is a matter of great care, more so than that of inmates for unlocked wards. Except a few cases where the type of their insanity predisposes to restless wandering, very few of our chronic insane desire to run away. When they have gone outside of the inclosures it has more often been from a curiosity to see what lay beyond the wall than a desire to escape. This is their home, their world, and it ought not to be so conducted as to seem to them a prison. During the past year we have opened our doors wider, with no unpleasant result. There is a limit in this beyond which it would be unsafe to go, but it will be found to be a limit that recedes as you advance. The outer doors of four of our female wards, as well as those of the relief building and the invalid ward in the male department, now stand open during the daytime in pleasant weather, and the change is felt to be an agreeable one by the inmates.

The following is the table of farm and garden products for the year:

Farm and garden products.

Asparagus, 5,807 bunches, at 6 cents	\$348 42
Apples, 59 bushels, at 75 cents	44 25
Beans (lima), 276 bushels, at \$1	276 00
Beans (string), 13½ bushels, at 75 cents	10 12
Beef (fresh), 3,330 pounds, at 10 cents	333 00
Beets, 2,029 bunches, at 4 cents	81 16
Beets, 149 bushels, at 50 cents	74 50
Beets (greens), 28 barrels, at \$1	28 00
Cabbage, 18,627 heads, at 8 cents	1,490 16
Carrots, 3,345 bunches, at 3 cents	100 35
Celery, 2,575 heads, at 4 cents	103 00
Chickens, 27½ dozens, at \$4	110 33
Cucumbers, 539, at 1 cent	5 39
Cherries, 90 bushels, at \$3	270 00
Currants, 843 quarts, at 15 cents	126 45
Corn (green), 128½ dozens, at 12 cents	15 37
Ducks, 5½ dozens, at \$5	27 91
Eggs, 3,065½ dozens, at 20 cents	613 17
Figs, 34 quarts, at 20 cents	6 80
Geese, 10, at \$1	10 00
Gooseberries, 30 quarts, at 15 cents	4 50
Grapes, 9,077 pounds, at 5 cents	453 85
Kale, 285 barrels, at \$1.50	427 50
Lettuce, 8,191 heads, at 2 cents	163 82
Leeks, 1,425 heads, at 1 cent	14 25
Milk, 44,079 gallons, at 30 cents	13,223 70
Onions (sets), 5 bushels, at \$8	40 00

Onions, 5,785 bunches, at 5 cents	\$289 25
Onions, 12 bunches, at \$1	12 00
Oyster-plants, 1,182 bunches, at 6 cents	70 92
Parsley, 3,643 bunches, at 3 cents	109 29
Parsnips, 206 bushels, at \$1	206 00
Peppers, 1 bushel, at \$1	1 00
Pease, 526 bushels, at \$1	526 00
Pears, 4 bushels, at \$3	12 00
Pork, 37,877 pounds, at 8 cents	3,030 16
Potatoes (Irish), 292 bushels, at 75 cents	219 00
Potatoes (sweet), 198 bushels, at 50 cents	99 00
Pumpkins, 8 cartloads, at \$2	16 00
Quinces, 5 bushels, at \$3	15 00
Radish (horse), 138 pounds, at 8 cents	11 04
Radishes, 1,669 bunches, at 3 cents	50 07
Rhubarb, 315 bunches, at 3 cents	9 45
Raspberries, 225 quarts, at 20 cents	45 00
Strawberries, 2,690 quarts, at 12½ cents	336 45
Spinach, 12 barrels, at \$1	12 00
Squash (summer), 3,751, at 2 cents	75 02
Squash (turban), 2,985, at 3 cents	89 55
Turkeys, 16, at \$1.50	24 00
Turnips, 170 bushels, at 50 cents	85 00
Turnips (greens), 35 barrels, at \$1	35 00
Tomatoes, 696½ bushels, at 50 cents	348 25
Veal, 187 pounds, at 8 cents	14 96

24,143 21

The following are the products that were consumed on the farm, and consequently are not a part of the profits.

Corn fodder (green), 14 acres, at \$35	\$490
Corn fodder (dry), 100 tons, at \$12	1,200
Grass (green), 5 acres, at \$30	150
Hay, 200 tons, at \$17	3,400
Mangel-wurzel, 75 tons, at \$15	1,125
Rye (green), 5 acres, at \$30	150
Straw (rye), 50 tons, at \$15	750

Total 7,265

The season of 1881 was one of drought and discouragement to farmers throughout the country, and the hospital farm presented no exception to the general rule.

The hay crop suffered least, but is somewhat reduced from that of the previous year. The grapes, our greatest luxury, were nearly ruined by a severe hail-storm. The late-cabbage crop was almost a failure; what the drought spared the canker-worm took. On the other hand, the advantage of the new piggery is seen in the pork product, which shows an increase from 22,376 pounds in 1881, to 37,877 pounds in 1882. With the immense amount of offal which is necessarily produced, the raising of swine is perhaps the most profitable industry connected with the hospital farm. The milk product was 44,079 gallons. Until more stall room can be provided for neat cattle we must be content with this, although the hospital, with its considerable increase of inmates, will soon require 200 gallons daily, and with proper accommodations for stock the hospital farm could easily be made to produce that amount. The farm and garden have continued to furnish healthful employment to quite a number of the inmates, although the credit for this does not appear on the balance-sheet of the farm account.

The estimates for the year ending June 30, 1884, are as follows:

1. For the support, clothing and treatment in the Government Hospital for the Insane, of the Army, Navy, Marine Corps, the Revenue Cutter Service, and the United States convict insane, also of all per-

sons who have become insane since their entry into the military or naval service of the United States, and of the indigent insane of the District of Columbia, \$253,125.

Under the recent legislation whereby provision has been made for the reception and care at the Government Hospital for the Insane of the insane from the Home for the Disabled Volunteer Soldiers, it is thought that the average number of the indigent insane of all classes to be provided for during the fiscal year ending June 30, 1884, will not be less than 1,125. The expectation is that the number from the Soldiers' Home will not exceed 150, and that the admissions from all sources will not greatly exceed those of the present year. Such calculations, from the nature of the case, can be only approximations and may prove to be underestimates.

The basis of estimated cost is \$225 per annum for each patient, which includes all the expenditures of the hospital except those for special improvements and repairs. For three years past Congress has provided for a portion of this expenditure in the bill for the expenses of the District of Columbia. Following the ratio of increase of the appropriation under that head which has been adopted for those years, the amount in the District bill will be \$46,700, leaving \$206,425 to be provided for as hitherto in the sundry civil bill.

The provision that has been made for some years past that not exceeding \$1,000 of this appropriation may be expended in removing indigent patients to their homes is just, and so obviously in the line of economy that its continuance is recommended.

2. For general repairs and improvements, \$10,000.

This is the amount appropriated for this purpose for the past two years, and, in view of the extent of the buildings and grounds, it is not too much to keep everything in good repair and maintain all departments of the hospital in efficient condition.

3. For special improvements, viz: Additional accommodations for stock and farm products; detached kitchens and cooking apparatus; cold grapery; forcing and green-house; replacing wooden with iron stairs; for furnishing new wards; in all, \$27,500.

It is believed that nothing has been asked under this head that is not absolutely needed for the most efficient conduct of the hospital. The question of more shelter for our neat stock and barn room for our farm products is an urgent one. Aside from new structures for the swine, no farm buildings have been erected since 1874; the milk product of the farm for that year was 13,918 gallons. For the year ending June 30, 1882, it was 44,079 gallons. If we are to carry our milk supply up to 200 gallons a day, as we can, and as we must if we are to afford an abundance of that form of nourishment, for which we have found no substitute in these enfeebled cases, broken down with disease, we must have something besides shed room for our greatly increased herd. Nor is it economy for the United States to yearly expose to the weather one hundred tons of hay in stacks when the expenditure of \$5,000 would give us the needed barn room and tool house.

The increased number of inmates renders the erection of detached buildings for the culinary department an absolute necessity. The freedom from the odors of cooking throughout the building, and the absence of the tropic heat hitherto generated in the offices situated directly over the present kitchen, will be felt as a relief. The estimate for this, including the necessary apparatus for roasting, steaming, and otherwise preparing the food, \$8,500.

The sum of \$3,000 for cold grapery, forcing and green house, is an ex-

penditure that will add more to the beauty of the grounds and the pleasure of the inmates than the same amount would yield in almost any other way. It is not alone an æsthetic, but an economic provision to preserve and bring forward the budding plants that brighten the gardens and lawns. It is not unmeet to plant flowers by the pathways of sorrow.

In preparing the estimates for firewalls, for which an appropriation was made the present year, and which walls are now in process of erection, the item of \$4,500, to replace the present wooden stairways with fire-proof ones, was, unfortunately, overlooked. This is so obviously necessary to complete the protection against fire that it is now asked to be made immediately available.

The remaining item of \$6,000 is to provide bedding and furniture for the new wards, which we confidently expect to have ready for occupation by the fall of 1883.

We have to acknowledge our renewed indebtedness to kind friends for assistance at our evening entertainments with music and dramatic representations; to Professor Sousa and the Marine Band for agreeable out-door concerts; to Miss Marsh for a fine bear cub, as the nucleus of a zoological garden; to Colonel Casey and to thoughtful ladies who have sent us flowers and plants for our wards, and to all who in one way and another have aided our work.

Rev. J. S. Deale, D. D., after an acceptable service, having resigned his place as chaplain, Rev. C. Herbert Richardson has been appointed to the vacancy. There have been no other changes in the staff of officers during the year. Much of the continued usefulness and prosperity of the hospital has been due to the faithful service and enlarged experience of these officers in the work of their choice. In hospital annals an uneventful is a successful year.

Again commending to the judicious liberality of the Nation's Congress this government hospital, which they have created and maintained for the wards of the nation,

We are, very respectfully, your obedient servants,

J. K. BARNES,

President of Board of Visitors.

W. W. GODDING,

Secretary ex officio.

HON. H. M. TELLER,

Secretary of the Interior.

REPORT OF THE SUPERINTENDENT HOT SPRINGS RESERVATION.

HOT SPRINGS, October 1, 1882.

SIR: I have the honor to transmit my annual report for the year ending the 30th of June, 1882. My financial report was forwarded some time since, by which you will learn that my collections of water rent amounted to \$3,535.61; ground rent, \$1,000; disbursements, \$1,066.91; deposited in the Merchants' National Bank, Little Rock, \$3,468.70. I also inclose the report of J. L. Barnes, who has charge of the Mud-hole bath pool, by which you will learn that 37,690 free baths were given during the year, and 6,313 paid baths. The amount collected for the paid baths is applied to defray the expenses of salaries of attendants and other necessary expenses, as you will see by the account ren-

dered. Martin Burrett, who has charge of the free pools on the south side of the mountain, reports that there are at least 100 baths taken every day in the two pools for men and women.

Since my last annual report I have constructed, by order of the Secretary, another brick tank, in which the water of several of the elevated springs is conveyed by pipes. It stands on the side of the mountain above the Arlington Hotel. It holds 20,000 gallons. Several bath-houses draw hot water from this tank.

Capt. T. H. Handbury, United States engineer, has completed the survey of the creek, and, I presume, has forwarded his report. I respectfully but most earnestly recommend that the portion of the creek from the forks down to the Arlington Hotel be improved at once, as the street is dangerous and in places almost impassable. I suggest that Congress be asked to appropriate a sufficient amount to complete the entire work as proposed by Captain Handbury.

I must again urge upon the Secretary the policy, and, indeed, the necessity of giving the Federal court jurisdiction over this reservation. The local magistrates are elected by popular vote. The gamblers, fakirs, robbers, and bummers constitute a large element of the voting population, and consequently the local magistrates, in many instances, are in sympathy with them, if not of the same character. Therefore it is almost an impossibility to convict this class of trespassers upon the reservation. If the authority was given to the Federal court I would have little trouble, as this class of men have, as indeed most of the people of the South, a very healthy fear of the United States court.

By direction of the Secretary, I selected one hundred lots on the original reservation, which were sold at Little Rock by the land officers in July. As I predicted in my report to the Secretary, the lots sold for prices largely over the valuation by the late commissioners, and would have brought much more had it not been for a combination formed on the last day of the sale, by which no bids above the valuation were to be made. I therefore recommend that no more of public lots be sold at present. The town is rapidly improving and the remaining lots will steadily increase in value.

The number of guests and patients is constantly increasing from year to year, as the marvelous effect of these waters becomes known throughout the country. The bath-houses on the reservation are elegant structures; handsomely and conveniently furnished, affording every possible facility to the bathers. The hotels and boarding-houses are increasing, and are ample to meet the wants of the guests, and at prices within the means of all classes. The wisdom of the government in retaining the control of this reservation and these wonderful waters, is manifested daily. Its policy not only affords elegant and delightful facilities for bathing to the wealthy and well-to-do people, but it furnishes to the afflicted poor, who come here from all parts of the country, the benefit of these waters without money and without price.

Very respectfully,

B. F. KELLEY,
Superintendent.

Hon. H. M. TELLER,
Secretary of the Interior.

REPORT OF THE SUPERINTENDENT OF THE YELLOWSTONE
NATIONAL PARK.HEADQUARTERS YELLOWSTONE NATIONAL PARK,
Mammoth Hot Springs, Wyo., December 1, 1882.

SIR: I have the honor to submit the following as my annual report:

I arrived in the Park on the 22d day of May, coming in by the Union Pacific Railroad from Omaha to Ogden, thence by the Utah Northern Railroad to Dillon, thence by stage to Virginia City, Mont. From there I was obliged to take private conveyance up the valley of the Madison River to its head in the great Fire-Hole Basin, a distance from Virginia City of 115 miles. After remaining there at the Marshall House two days, Mr. Marshall, with Mr. George Graham (a blacksmith, whom I had hired at Virginia City for the season), my son, and myself, set out on horseback for the Mammoth Hot Springs, the official headquarters of the Park, a distance of 50 miles over the mountains. It was a severe and perilous journey, on account of the snow and the swollen rivers and mountain streams that lay across our way. However, thanks to the experience and indomitable courage of my guides and the endurance of our faithful horses, we all reached headquarters in safety the second day out, a little before midnight.

On reaching the house all was dark and silent, but we soon made ourselves heard. A light gleamed through the windows, the door was thrown open, and we were invited in by Mr. Stephens, the superintendent in charge, with a generous cordiality seldom found elsewhere than in these mountains.

After spending a day or two at headquarters, and advising with Mr. Stephens, I started with two teams for Bozeman, Mont., our nearest market town (from this point 80 miles distant), to purchase us supplies and tools, hire a crew of men, and prepare for the season's campaign. The road was in a horrible condition, consequently we could haul but light loads, yet we succeeded in landing sufficient supplies to last until better roads.

We also hired a small crew of men which we set at work on the 5th of June, at the north side of the Park, near the Yellowstone River, at the foot of McCartney's hill. We also employed a carpenter and a mason, and set about repairing the headquarter's house, which we found to be in a sadly dilapidated condition, and hardly habitable for a white man. Our mason first burned a small limekiln, and then pointed the house from the ground to the roof, inside and out, and whitewashed the wall through all of the inside until it was white as snow, thereby destroying the vermin that infested the premises in such vast numbers that no person with a cuticle less sensitive than that of a rhinoceros could live in them through the summer months. Meantime our carpenter was at work repairing the doors, windows, roof, and other parts of the building, putting up ceiling overhead with cotton cloth, for want of lumber; making domestic furniture, such as tables, bedsteads, and settees; the latter we covered with calico, making a convenient seat for the numerous callers that have visited us the past summer. So we can now say that the government buildings here are in a state of preservation, and comfortable, if not elegant.

Simultaneously with commencing work on this side of the Park, I had taken steps to organize and equip another party to begin work at Riverside, on the Madison River, near the west line of the Park, and near the point where the travel from Virginia City and a place on the

Utah Northern Railroad called Beaver Cañon unite, and proceed together to the central attraction, the Fire-Hole Basin and the great geysers. Here I found it necessary to do some heavy grading. Heretofore the travel had been forced principally to reach the Fire-Hole Basin by following the river through a difficult and rough cañon, involving the fording of the stream five times in the short distance of about 10 miles. The Madison River at this point is a broad and rapid stream, and except in time of low water these crossings are both difficult and dangerous. A good road, however, can be made through this cañon when the government will supply the money. I estimate that it will cost not less than \$15,000 to bridge and grade about 20 miles of this route. Under these circumstances there seemed to me nothing left us but to try and scale the mighty mountains and hills that lie along the Madison, and between us and our objective point.

The Fire-Hole Basin work was begun here on the 8th of June, and after six weeks of hard digging, plowing, and scraping, the summit was attained, leaving behind us a road and grade up which our four-mule team has hauled repeatedly a load of freight weighing over 2,500 pounds. This party, headed by Mr. George Graham and my son, C. M. Conger (when not engaged in doing blacksmith work or hunting), proceeded on the road towards the Fire-Hole, removing the stumps and rocks from the path, putting in culverts and cross-ways or bridges over mirey ground and deep gulleys, until they reached the big hills on the verge of the basin, where another long and heavy grade had to be made to let us down to a level with the Fire-Hole River at Marshall Hotel.

In the meantime the party commencing work at McCartney's hill had been recruited to about a dozen men, and placed under the command of Capt. E. S. Topping. They worked up from McCartney's, making an excellent road, considering the high and rough character of the ground over which the road lies. Thence they pushed on over the immense mountains which surround the valley of the Gardiner River at this place, doing all that could be done to render passable the road out over this range, until a level plateau is reached, over which our way passes for a distance of about 8 miles, bringing us to the main branch of the Gardiner River, and about 12 miles from headquarters. Here we found it necessary to construct a bridge, as the river is deep and rapid, and an attempt to ford it, except at low water, is attended with great difficulty and danger. Indeed, a party of tourists went into camp for a week here, waiting for a decline of the water before venturing to cross. My assistant, Mr. G. L. Henderson, went with me out to the river, and, after a careful examination of the same for a mile or two, up and down, we agreed upon the most eligible point to locate the bridge, and upon the plan of its construction. Captain Topping and his men took hold of the work in earnest, and in less than two weeks they had finished a substantial structure across the river that we think reflects credit upon its builders. The bridge is built with abutments on each shore, well out into the river. The abutments are made by a crib of logs firmly pinned together at the corners, and then filled with rock above high-water mark. The center pier we made in the shape of a V, fastened in the same manner at the corner, and filled, like the abutments, with rock; then the structure was covered with hewn logs five inches thick, the whole making a bridge that I think will stand any strain that is likely to happen it, either from the elements or otherwise. The cover of the bridge is 96 feet long. Up to this time it was the custom of Mr. Henderson or myself to be on the ground daily with the men; and, indeed, during the whole season one or both of us have been in the field nearly all of the time.

After the bridge was finished, the captain, with his party, pushed on south toward the Fire-Hole Basin, that being the grand center towards which both parties were aiming. Our route now runs up the Willow Creek to near the great obsidian or glass mountain, which is a marvelous thing in nature and well worth the journey to see. There was considerable work on this part of the road in taking out rocks in the path, and building and repairing culverts and cross-ways.

After passing the glass mountain we soon come upon high hills and rough country, requiring a great amount of labor to render the road passable. We are now leaving the waters that flow into the Gardiner River, and are climbing the mountains that separate the Gardiner from the Gibbon River. About here we pass a beautiful lake, called Lake of the Woods. I do not know what the altitude is at this point, but it cannot be less than 7,500 feet above sea level.

From thence we worked our way over a rough and hilly country to the Gibbon Basin, where the traveler is startled by his first sight of this wonderful Fire-Hole. Standing on the eminence that surrounds and overlooks this basin, with its thousand columns of hissing steam rising to the clouds, and its hundred spouting and boiling springs, all in active operation, hurling their heated waters high into the air, he sees a sight so novel and so sublime as to daze the beholder and fill him with awe. In this basin are several large geysers and a great number of lesser ones. We have now reached a point 30 miles nearly south of headquarters, or the Mammoth Hot Springs, and about 35 miles from the north line of the Park. It is yet 20 miles to the great Fire-Hole Basin. Our road is still in a mountainous and rugged country, requiring much labor and expense before it can be said to be a good road. Still we pushed on; but owing to the limited amount of the appropriation (and when you consider the extent of the territory and the great natural obstructions that have to be encountered, it seems to me it must be evident to you that the amount heretofore placed at the disposal of the Secretary of the Interior "for the protection and improvement of the Yellowstone National Park" is entirely inadequate) we are obliged to content ourselves by making such roads and improvements only as will render travel possible.

But to proceed with our road: we have to pass over some very high hills to reach the valley of the main Gibbon, where we encounter a wide, low bottom called the Geyser Meadows, a place where it will require a large amount of labor to make a good road. After passing this meadow our road enters the Gibbon Cañon, and follows the river down several miles, close on the edge of the stream, crossing the same three times in as many miles over difficult and dangerous crossings in time of high water. After passing through this cañon our road gains the highlands by a steep grade along the side of the mountain on the south side of the river. We soon come to the great falls of the Gibbon, where the river plunges over a perpendicular precipice of 75 feet, which in the stillness of the evergreen forest that covers this country renders the scene as enchantingly beautiful as "fairy-land." We are now within 10 miles of our objective point, viz, the Lower Fire-Hole Basin; and as the character of the country differs little from that over which we have passed, I need not particularize further than to mention that we made two quite important grades on the way, changing the road from the old track, and materially lessening the difficulties over two high and rugged hills.

At last, through much tribulation, we have arrived at the head of the Madison River, which is formed by the junction of the two Fire-Hole

Rivers at the northern edge of the Lower Fire-Hole Basin. When I tell you that at this point the Madison River is a deep and rapid stream, nearly or quite 200 feet in width, you will have some conception of the immense flow of boiling hot water that comes out of the earth within less than 15 miles of this point, and forms the two Fire-Hole Rivers which here unite.

My working force (both parties) were now here, and I found it an imperative necessity to build a storehouse and blacksmith shop in order properly to care for our provisions and supplies, the government having no building nearer than our headquarters, 50 miles distant. Besides, this point is the grand center of attraction, and a place to which every tourist who visits the Park is certain to come. One other reason why I selected this site for a storehouse was, on account of its central position working parties can be supplied from this depot in one day from almost any part of the Park. After having resolved to build, and decided upon the size and style of the buildings required, I drafted the plans and set part of the men to getting out the timber for the proposed buildings.

The rest of the men, under Captain Topping, continued work on the road. I directed them first to go over the road to the Yellowstone Lake, a distance of 35 miles from this point, and put the same in good repair, and then turned their attention toward the Great Falls and the Grand Cañon of the Yellowstone, about 20 miles below the lake. The work was comparatively light on the road from the Fire-Hole to the lake; but when we neared the falls and cañon I found it necessary to cut a new road along the bank of the river for over three miles to enable tourists to ride to the falls. Heretofore they have been compelled to abandon their carriages, and climb almost impassable mountains on the back of a pony or on foot. This road along the river was a difficult and costly piece to build, requiring heavy excavation along the side of the steep mountain for nearly the whole distance. But it is finished, and we have received the commendation and thanks of every person who has passed over the road, for having built it.

Meantime our buildings are progressing at the Fire-Hole Basin, the place we now call our summer headquarters. The government storehouse here in dimensions is 34 by 22 feet, built of hewn logs, substantially and neatly put up, one story high, with solid log partition framed into the structure, making two rooms in the building. One room is floored with hewn logs, 5 inches thick, neatly fitted together, for the storage of provisions; this heavy partition and floor being necessary to protect our supplies from the ravages of the mountain rats and squirrels that here abound. The other room is not yet floored, as we have no lumber except what we manufacture with an ax; but by putting in an old cooking stove, which I was fortunate enough to obtain here, it makes a very convenient and comfortable place for us when at work in this vicinity, besides being a great accommodation to tourists who desire to leave a portion of their luggage while they visit the lake, the Grand Cañon, and the Great Falls of the Yellowstone. We have a strong door on the storeroom, and one window in the same; also an outside door, and two windows in the front room.

The blacksmith shop is similar in construction, 20 by 20 feet, with a door and two windows. Convenient to the shop is a coal-house, 10 by 15 feet, in which I have a quantity of charcoal left over after the season's business, from a pit that we burned early in the season. The buildings are all carefully chinked on the inside and daubed on the outside, and thoroughly covered with dirt roofs, which we consider storm-

proof, and will probably answer the purpose for which they were constructed, for many years.

Mr. Secretary, I would gladly have consulted you in regard to these buildings before they were begun, but the demand was so urgent, and it takes so very long to communicate by mail, in these far-off mountains, with your office, that I ventured on my own judgment to proceed without specific authority, trusting that what I might do would receive your sanction and approval.

After the buildings were completed I sent the men who had been there employed with a pack-train and outfit over to the falls to improve the trails and bridle-paths around them and the Grand Cañon, also to open a new and better bridle-path from the falls along the base of Mount Washburn, via Tower Falls, to intersect the Clark's Fork wagon road near Barronett's bridge, thus enabling tourists to make a complete circuit of the Park, and to see most of the marvelous wonders of nature that so abound in this our nation's great play-ground, and which I am assured by eminent travelers are not to be found elsewhere on the globe.

It is September. Our bridle-paths are finished; our grades along the banks of the Yellowstone are completed; and the gathering snows on the distant mountain tops admonish us that we must soon seek a lesser altitude. We therefore take a parting glance at the Great Falls, the Grand Cañon, and the glorious snow-crowned mountains, and all depart for our summer headquarters in the Lower Fire-Hole Basin. Arrived there we still find plenty of work that requires our attention, notably the building of three foot-bridges, two of them across the Great Fire-Hole River, and the other across the Little Fire-Hole, near our storehouse. The bridges across the larger river are 130 feet in length, and the one across the lesser stream is 50 feet long. These bridges are built by hewing long timbers flat, and placing two pieces side by side upon strong benches standing in the river, and securely fastened together, then putting up a hand-rail along one side, enabling any person to cross with ease and safety. These foot-bridges have long been a necessity, and will prove a great convenience to ourselves as well as the public.

September 14 I took my departure for the Mammoth Hot Springs, to give attention to my office work, which I confess I had too long neglected. But (as I have before written you), deeming it of the first importance that the money appropriated by Congress for the improvement of the Park be judiciously and properly expended, I felt it to be my first duty to remain in the field to direct and supervise the work. Before leaving, I directed Captain Topping with his party to work back over the road to the Mammoth Hot Springs, and repair some crossways that had become badly demoralized by the heavy military trains and others passing over them during the summer. I left Mr. Graham and my son with their men to finish the foot-bridges, to take an inventory of the stock and tools to be left there, to close up and lock the buildings, and then to come to the springs and construct a bridge across the Gardiner River, which had recently been destroyed by a devastating fire that had swept over a large tract of the Park in the immediate neighborhood of headquarters. I spent a few days in my office, and then took stage for Bozeman, Mont., to settle with the merchants of that bright and busy mountain city for the supplies that they had so generously advanced me for the use of the government during the season. I was thus occupied there for several days, when I again took the stage for Virginia City, Mont., another trade center in these mountains, to

whose liberal merchants I was under like obligations for the same kind of favors. I closed my business here, and returned by the same route, reaching home in time to see the last plank fastened down upon our new bridge across the Gardiner. The bridge is a splendid one of the kind, and is constructed after the pattern before described. I then settled with the few men that had still stuck to the work until it was finished, which was on the 25th day of October.

The snow was now getting deep all over the Park. The bell had summoned all ashore who were not going to sail, and, not desiring to be blockaded here all winter, I bade farewell to my assistant, Mr. G. L. Henderson, and his son, whom we left in charge, and myself and wife made our escape down the valley of the Yellowstone to the North Pacific Railroad, and thence to the green fields of Iowa, our home.

Mr. Secretary, I desire to say, in concluding this prosy report, that we do not claim to have written our names upon the mountain tops here, and will be content if you shall approve, and the great public, from whose verdict there is no appeal, shall concede, that we have left our mark upon the roads, trails, and bridle-paths of this great National Park.

I have the honor to be, very respectfully, your obedient servant,

P. H. CONGER,

Superintendent Yellowstone National Park.

REPORT OF THE UNITED STATES INSPECTOR OF GAS AND METERS.

OFFICE UNITED STATES INSPECTOR OF GAS AND METERS,

NO. 403 TENTH STREET,

Washington, D. C., September 4, 1882.

SIR: I have the honor herewith to submit the annual report of this office, showing its operations for the fiscal year ending June 30, 1882.

At its commencement will be found condensed tables giving the illuminating power and purity of the gas furnished by the gas companies during the year.

Full monthly statements will be found in Tables A and B. In the remaining tables, lettered C, D, E, F, and G, the monthly inspection of meters, the pressure of the gas, and the receipts and expenditures are fully stated.

Very respectfully, your obedient servant,

S. CALVERT FORD,

Inspector of Gas and Meters.

Hon. HENRY M. TELLER,

Secretary of the Interior.

ILLUMINATING POWER AND PURITY.

The illuminating power and purity of the gas supplied in this District during the year ending June 30, 1882, all compare favorably with previous years since inspection has been in operation.

The gas manufactured and supplied by the Washington Gas Light Company is not entirely a product from coal; they use naphtha as an enricher. This hydrocarbon is converted into a fixed gas, and then united with the gas obtained from coal.

This combination of the gases from coal and naphtha yields an illu-

minating gas of high specific gravity. On some occasions complaints were made of its giving off smoke; this nuisance will arise, however, from several causes, such as a scant or inadequate supply, imperfect or unsuitable burners, and deficient pressure.

If the supply of gas and the pressure be not ample to give a perfect shape or form to flat-flame burners, smoke and unpleasant odors produced by imperfect combustion must be the result.

The gas supplied by the Georgetown Gas Light Company is manufactured entirely from coal, Pennsylvania and West Virginia coals being used, with from 10 to 15 per cent. of Cannelton cannel coal as an enricher.

The inspection of this gas since October, 1881, has been made at the laboratory located on High street, the distance from the gas works by company's mains being about 2,400 feet.

Testing the illuminating power of the gas at this point affords a more satisfactory average of quality than when inspected at laboratory adjoining the company's manufacturing department.

The illuminating power and purity of the gas supplied by the Washington Gas Light Company from June 24, 1881, to June 23, 1882, was as follows:

Average illuminating power during the year.....	candles..	16.87
Highest illuminating power during the year.....	do....	18.53
Lowest illuminating power during the year.....	do....	14.49
Average quantity of ammonia in 100 cubic feet during the year.....	grains..	1.92
Highest quantity of ammonia in 100 cubic feet during the year.....	do....	7.52
Lowest quantity of ammonia in 100 cubic feet during the year.....	do....	.61
Average quantity of sulphur in 100 cubic feet during the year.....	do....	11.60
Highest quantity of sulphur in 100 cubic feet during the year.....	do....	54.80
Lowest quantity of sulphur in 100 cubic feet during the year.....	do....	5.13

Specific gravity.—Average specific gravity, .491; air, 1.000; highest, .591; lowest, .425.

On eighteen occasions during the past year the gas supplied by the Washington Gas Light Company was of less illuminating power than sixteen candles, as follows:

	Candles.
July 6.....	15.71
July 18.....	15.69
July 19.....	15.86
September 27.....	15.82
October 22.....	15.70
October 24.....	15.97
December 5.....	15.95
December 6.....	15.74
December 7.....	15.93
January 31.....	15.82
February 1.....	15.46
March 23.....	15.93
March 30.....	15.99
April 28.....	15.81
May 5.....	14.98
June 2.....	15.95
June 3.....	15.66
June 5.....	14.49

On twelve occasions the gas of this company contained a slight excess of ammonia over the 5 grains allowed in each 100 cubic feet:

	Grains.
October 29.....	6.07
October 31.....	5.86
November 1.....	7.52
November 2.....	6.58
November 3.....	5.22
November 10.....	5.27

	Grains.
November 11.....	6.12
December 20.....	5.61
December 21.....	6.03
December 23.....	5.73
December 24.....	5.27
June 23.....	5.10

On five occasions the gas supplied by this company contained an excess of sulphur over the 20 grains allowed in each 100 cubic feet:

	Grains.
January 5.....	54.80
February 11.....	26.61
March 1.....	20.37
March 2.....	20.07
March 3.....	22.66

The illuminating power and purity of the gas supplied by the Georgetown Gas Light Company from June 24, 1881, to June 23, 1882, was as follows:

Average illuminating power during the year.....	candles..	16.94
Highest illuminating power during the year.....	do.....	20.16
Lowest illuminating power during the year.....	do.....	13.86
Average quantity of ammonia in 100 cubic feet during the year.....	grains..	1.57
Highest quantity of ammonia in 100 cubic feet during the year.....	do.....	8.92
Lowest quantity of ammonia in 100 cubic feet during the year.....	do.....	.30
Average quantity of sulphur in 100 cubic feet during the year.....	do.....	10.68
Highest quantity of sulphur in 100 cubic feet during the year.....	do.....	16.44
Lowest quantity of sulphur in 100 cubic feet during the year.....	do.....	5.20

Specific gravity.—Average specific gravity, .454; air, 1.000; highest, .530; lowest, .418.

On twenty-eight occasions during the past year the gas supplied by the Georgetown Gas Light Company was of less illuminating power than sixteen candles, as follows:

	Candles.
July 12.....	15.45
July 13.....	15.75
July 22.....	13.86
September 27.....	15.98
October 1.....	15.73
October 5.....	15.60
October 6.....	15.14
November 1.....	15.13
November 11.....	15.82
November 14.....	15.23
November 15.....	15.93
December 5.....	15.01
December 7.....	15.55
December 8.....	15.76
December 9.....	15.91
December 31.....	15.32
February 8.....	14.37
February 23.....	15.98
March 4.....	15.98
April 7.....	14.77
April 12.....	14.90
May 24.....	15.78
June 6.....	15.49
June 7.....	15.66
June 9.....	15.06
June 19.....	14.91
June 22.....	15.94
June 23.....	15.20

On twelve occasions the gas supplied by this company contained an excess of ammonia over the 5 grains allowed in each 100 cubic feet.

	Grains.
July 11	6.20
July 12	6.20
July 13	8.92
July 14	8.92
July 15	7.85
July 16	7.85
July 18	5.32
July 19	5.32
August 12	5.84
August 13	8.84
August 15	5.35
August 16	5.35

INSPECTION OF METERS.

One thousand four hundred and twenty meters were inspected and proved by this office during the fiscal year ending June 30, 1882. With the exception of two meters inspected and proved for the Alexandria Gas Light Company, the above number were inspected and proved for the Washington and Georgetown Gas Light Companies and for consumers of gas.

The results of inspection were as follows: 33 registered fast against the consumers, average error 3.56 per cent.; 117 registered slow against the companies, average error 7.21 per cent.; 1,216 registered within the limits allowed by law, namely, 2 per cent. either way, and were sealed and returned to the companies for service; 51 did not register the gas flowing through them, and one was locked so no inspection could be made.

Two hundred and twenty of the above-mentioned meters were inspected and proved on complaint; 55 were complained of by consumers of gas; 17 registered fast, average error 4.16 per cent.; 13 registered slow, average error 3.96 per cent.; 25 registered within the limits allowed by law; 165 were complained of by the gas companies; 3 registered fast, average error 4.28 per cent.; 91 registered slow, average error 10.86 per cent.; 19 registered within the limits allowed by law; 51 did not register, and 1 was locked.

I respectfully recommend that the act of Congress regulating gas-works, approved June 23, 1874, be modified so as to require, when for any purpose whatever the heads of meters that have been inspected, proved, and sealed are removed by the gas companies, meters of this description should be classed as repaired meters, and brought to this office for reinspection before again being placed in service.

The seal of the inspector is the evidence that the meter has been properly tested and proven as required by law.

To admit the right of the companies to remove the head of a sealed meter and rectify whatever is wrong, and return meter to service without reinspection and sealing, would be to render the law practically inoperative, by making uncertain, if not impossible, the protection secured through inspection and sealing by the office created for that purpose.

S. CALVERT FORD,
Inspector of Gas and Meters.

REPORT

OF THE

POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,

Washington, D. C., November 18, 1882.

SIR: I have the honor to submit herewith a report of the operations of this department for the fiscal year which ended on the 30th of June, 1882:

FINANCIAL STATEMENT.

The total disbursements for postal service during the year were.....	\$40,462,021 23
The ordinary receipts were.....	41,315,642 80
The receipts from money orders were.....	860,767 25
Total	41,876,410 15
Excess of receipts over expenditures was	1,394,388 92

For the first time in thirty-one years the postal service is not a burden upon the Treasury.

In order to determine the real *cost* of the postal service for the past year, three important modifications of the foregoing figures should be made:

First. There should be deducted from the total disbursements the sum of \$442,386.48; which, though paid out during the last year, was for service rendered during previous years, and was an outstanding liability on the 30th of June, 1881.

Second. There should be added the sum of \$328,550.46, estimated to be due for service rendered during the last year, and which was an outstanding liability on the 30th of June last.

Third. There should also be added the sum of \$1,178,174.05, earned by certain railway companies for transportation of the mails between the Missouri River and the Pacific. The earnings of those companies are not paid by the Post-Office Department; but, pursuant to the act of March 3, 1879, are passed to the credit of the several companies upon the books of the Treasury, and, therefore, have not been heretofore computed with the annual statement of disbursements. The account thus stated shows an excess of earnings of but \$330,050.89.

During the fiscal year which ended June 30, 1881, the expenditures for the postal service were \$39,251,736.46. The total revenues were \$36,785,397.97. The deficiency was \$2,466,338.49. In 1860 the deficiency was more than \$10,000,000.

Some part of this great improvement is due to the wonderful growth and prosperity of the country; but a larger part is due to the improved methods in the administration of the service.

During the fiscal year which ended June 30, 1877, the revenues were \$27,531,585.26. The expenditures were \$33,486,322.44.

The following table shows how steadily the revenues have increased year by year since that time:

1877 the postal revenues were.....	\$27,531,585 26
1878 the postal revenues were.....	29,277,516 95
1879 the postal revenues were.....	30,041,982 86
1880 the postal revenues were.....	33,315,479 34
1881 the postal revenues were.....	36,785,397 97
1882 the postal revenues were.....	41,876,410 15

Happily the expenditures have not kept pace with these earnings. It would seem to be quite as easy to expend \$1.20 now to earn \$1 as it was in 1877. In one respect it would seem more natural to do so. The revenues are gathered from a broader field now than they were in 1877. The new territory is the most barren, and yields the most meager returns.

The heaviest item of expenditure is for the transportation of mails on railways. The next heaviest is that for the pay of postmasters. These two items do, and under existing laws must, swell with the volume of business, since the rate of compensation is proportioned to the amount of business done.

The expenditure next in rank is that for what is known as

STAR SERVICE.

That includes all mail transportation not on railways nor on steamboats. The amount and cost of that service is left almost wholly to the arbitrary control of the department.

The following table exhibits in parallel columns the number of miles of such transportation furnished annually, and the cost for each year since 1876:

Year.	Annual miles of transportation.	Cost.
1877.....	57,956,303	\$5,663,970
1878.....	61,435,682	5,714,943
1879.....	691248,339	6,401,830
1880.....	76,070,945	7,321,499
1881.....	79,557,296	6,957,355
1882.....	76,924,867	5,553,849

The estimates for 1884 promise financial results still more flattering than those realized during the last fiscal year. Those estimates are as follows:

ESTIMATES FOR 1884.

Ordinary revenues.....	\$50,233,927 78
From money orders (net revenue)	436,528 49
Total estimated revenue	50,670,456 27
Total expenditures estimated.....	46,741,111 25
Estimated excess of revenue	3,929,345 02

In the appendix to this report, on pages 7-16, will be found the estimates submitted by the First Assistant Postmaster-General of the appropriations required for the use of his office for the next fiscal year, together with his explanation of the same.

The estimate for the

COMPENSATION OF POSTMASTERS

is largely in excess of the sum appropriated or asked for the same purpose during the current year. The reason assigned for that is that the sum appropriated for the current year is wholly inadequate. That is obvious. The sum was not equal to the compensation of postmasters for the past year. Of course it is yet more unequal to the pay of the postmasters for the current year, and still more inadequate to their pay for the next year.

Another reason quite as cogent may be stated: Whatever may be the sum put into the annual appropriation bills for the pay of postmasters, the fact remains that under existing laws that expenditure is not restricted by such bills. The pay of postmasters is limited, not by appropriation bills, but by fixed statutes; and to the extent of their legal compensation, the gross revenues of the postal service are not only appropriated but hypothecated to their payment.

Appropriations are necessary to get money out of the Treasury, but the salaries of postmasters never get into the Treasury. Postmasters collect the postal revenues, and they are authorized by law to deduct from the moneys in their hands their legal compensation. They account to the Treasury for the excess only. If not a dollar is appropriated in the annual bill, postmasters will receive their salaries all the same.

It seems hardly practicable, therefore, to effect much in the interest of economy by appropriating \$8,000,000 to pay postmasters, while we place \$40,000,000 in their hands out of which they may help themselves to the full extent of their legal dues.

From the report of the First Assistant Postmaster-General the following statistics are gleaned, which afford a partial view of the work performed under the direction of that officer:

POST-OFFICES ESTABLISHED AND POSTMASTERS APPOINTED.

Number of post-offices established during the year	2,166
Number discontinued	1,447
Increase	1,719
Number in operation June 30, 1881	44,372
Number in operation June 30, 1882	46,201
Number filled under appointment by the President	1,951
Number filled under appointment by the Postmaster-General	44,250

Appointments were made during the year—

On resignations and commissions expired	7,306
On removals	1,921
On changes of names and sites	349
On deaths of postmasters	361
On establishment of new post-offices	2,166

Total appointments

Number of cases acted upon during the year was

EMPLOYÉS IN THE POSTAL SERVICE.

The following table shows the number of employés in the Post-Office Department; also the number of postmasters, contractors, clerks in post-offices, railway post-office clerks, route-agents, and other officers in the service June 30, 1881, and June 30, 1882:

Officers and employés.	June 30, 1881.	June 30, 1882.
DEPARTMENTAL OFFICERS AND EMPLOYÉS.		
Postmaster-General.....	1	1
Assistant Postmasters-General.....	3	3
Superintendent of money-order system.....	1	1
Superintendent of foreign mails.....	1	1
Superintendent of railway adjustment.....	1	1
Chief clerk of the Postmaster-General.....	1	1
Chiefs of divisions.....	5	4
Topographer for Post-Office Department.....	1	1
Disbursing officer and superintendent of building.....	1	1
Law clerk.....	1	1
Stenographer.....	1	1
Appointment clerk.....	1	1
Superintendent of blank agency.....	1	1
Chief clerks of bureaus.....	5	5
Clerks, messengers, watchmen, &c.....	472	498
	496	521
POSTMASTERS AND OTHER OFFICERS AND AGENTS.		
Postmasters.....	44,512	46,231
Contractors.....	5,156	5,156
Clerks in post-offices.....	5,200	7,100
Letter-carriers.....	2,861	3,115
Railway post-office clerks.....	1,293	1,517
Route-agents.....	1,386	1,557
Mail-route messengers.....	322	334
Local agents.....	176	162
Post-office inspectors and railway-mail-service superintendents.....	77	84
	61,479	65,777

THE FREE-DELIVERY SYSTEM.

This system was in operation during the year in 112 of the principal cities of the country, and employed 3,115 carriers. The regular appropriation for this service was \$2,600,000; to which was added, by special appropriation, \$25,000 to meet an anticipated deficiency; making a total appropriation of \$2,625,000, an increase of \$125,000 over that of the previous year. The total cost of the service was \$2,623,262.74, leaving an unexpended balance of \$1,737.26. The increase of the cost of the service over that of the preceding year was \$123,351.20. This was owing principally to the appointment of additional carriers in cities where the service was already in operation, only three new cities having been added to the list during the year, viz, Augusta, Me.; Burlington, Vt., and Concord, N. H.

POSTAGE ON LOCAL MATTER.

The postage on local matter at the several free-delivery offices amounted to \$3,816,576.09; an increase over that of the preceding year of \$542,945.70; and also over the total cost of the service of \$1,193,316.45. This increase in postage on local matter was 16.50 per cent., while the increase in the cost of service was 4.93 per cent.

The average cost per piece for handling matter was 2.3 mills, a decrease of 0.1 mill as compared with last year. The average cost per carrier was \$835.75, a decrease of \$37.79.

This decrease was owing to the appointment of additional carriers (auxiliaries) at \$400 per annum, the appropriation being insufficient to employ carriers at a higher salary.

Aggregate result of free-delivery service for the fiscal year ended June 30, 1882.

Statistics of free delivery.	Total.	Increase over last year.	Per cent. of increase.
Number of offices	112	3	2.79
Number of carriers	3,115	294	8.88
Mail letters delivered	298,266,789	35,841,071	13.66
Mail postal-cards delivered	71,481,742	11,513,183	19.20
Local letters delivered	99,002,317	13,260,199	17.29
Local postal-cards delivered	50,923,724	7,025,306	16.04
Registered letters delivered	2,552,894	426,395	20.06
Newspapers, &c., delivered	160,794,766	14,377,592	9.82
Letters collected	308,352,819	23,592,874	8.28
Postal-cards collected	99,421,132	13,628,007	15.88
Newspapers collected	61,722,814	7,647,338	14.14
Whole number of pieces handled	1,143,518,887	127,321,325	12.53
Pieces handled per carrier	367,455	11,519	3.23
Total cost of service, including pay of post-office inspectors ..	\$2,623,262.74	\$123,351.20	4.93
Average cost per piece in mills	2.3	0.1	4.4
Average cost per carrier	\$835.75	\$87.79	10.52
Amount of postage on local matter	\$3,816,576.09	\$542,945.70	16.59
Excess of postage on local matter over the total cost of service.	\$1,193,313.35	\$419,594.50	34.23

* Based on the aggregate (\$2,617,574.56) paid carriers, including incidental expenses at the several offices, less \$5,688.18 paid post-office inspectors.

† Decrease.

‡ Increase.

[For detailed statement of the operations of the service during the year, see table C, page 42.]

BIENNIAL ADJUSTMENT OF SALARIES OF POSTMASTERS.

During this year the regular biennial adjustment of 2,012 presidential postmasters' salaries was made; an increase of 248, or 14 per cent., as compared with the previous adjustment.

The returns, coming from all parts of the Union, show a very gratifying and general increase of business; and the sum necessary to pay the increased salaries of postmasters, including 335 special adjustments, amounts to \$563,400, or 18.14 per cent. more than last year.

BOX RENTS.

A system of recording the number of boxes rented at the first and second class offices has been inaugurated since the beginning of the present fiscal year. Heretofore the matter of renting boxes has been treated by postmasters with less importance than in my judgment it deserves. Under the present system, furnishing a receipt to each person who rents a box, a duplicate of which is kept by the postmaster as a stub in the book supplied for that purpose, a better service has been secured in this branch of the postal business.

LEASES.

Spécial attention of late having been given to securing suitable accommodations for the post-offices whose class entitles them to proper consideration, it is gratifying to state that, at many offices where the business has heretofore been conducted in buildings unsuitable, by reason of defective facilities, improper location, &c., suitable premises now have been secured, under leases, including in many instances complete outfits of boxes, furniture, fixtures, &c., at what are regarded as reasonable rentals.

ADDITIONAL FACILITIES FOR FOURTH-CLASS POST-OFFICES.

Provision having been made by Congress for supplying all post-offices, the gross receipts of which are less than fifty dollars per annum, with letter-balances, marking-stamps, ink, and pads, it is expected that more than 7,000 offices will be thus supplied during the present fiscal year; thereby enabling the postmasters at these offices to make up and dispatch mails with more accuracy and a greater saving to the government in the matter of cancellation of stamps.

I quite concur in the recommendation of the First Assistant Postmaster-General for the reformation and augmentation of that division of the service known as the Blank Agency.

REORGANIZATION OF THE BUREAU OF THE FIRST ASSISTANT POSTMASTER-GENERAL.

Still more cordially do I recommend the suggestions of that officer as to the general reorganization of his office. Briefly stated, his argument is, that whenever a given amount of work is to be done it is wiser to employ the requisite force, place it under the control of one man, and hold him singly responsible for doing the work, than to divide the responsibility equally among the individual members of the corps.

The soundness of that argument is approved by reason; it is attested by the general practice of the government, and by the uniform observance of all great private enterprises.

PURCHASE OF STATIONERY.

I do not doubt that a substantial saving of expenditure would follow the adoption of the First Assistant Postmaster-General's suggestion, that all stationery to be used in first and second class offices should be purchased by his office and issued upon requisition, instead of being purchased as now by the several postmasters, and having their purchases audited in his office. Stationery required for the money-order business is now, in fact, purchased by the superintendent of that service, and issued to the several postmasters. It does not seem quite logical to employ two different methods for supplying the same office with a single article.

SALARIES OF AND ALLOWANCES TO POSTMASTERS.

The very able report of the First Assistant Postmaster-General calls attention to the great difficulty experienced in adjusting salaries to postmasters of the first three classes, and in making allowances for office expenses to those of the first two classes.

He does not exaggerate those difficulties. It may well be doubted if he could exaggerate them. It would be easy to frame a law more unjust than that under which the salaries of postmasters are now settled, but it is quite unnecessary to do so—the existing law is sufficiently unjust. But necessity herself, though admitted to be the mother of invention, could not invent a more cumbrous or complex method of adjusting salaries. Postmasters at the smallest offices are paid alike. Their pay is apportioned in part upon the revenues of their offices, and in part according to the labor performed in them. So far as revenue is derived from the rent of boxes, postmasters take the whole. So far as it is derived from the sale of “waste paper, dead newspapers, printed matter, and twine,” they receive 60 per cent. So far as it is derived from the sale of money orders, they receive one-third. So far as it is derived from the sale of stamps, envelopes, and postal cards, they receive nothing. They may sell thousands in value, but they get no share of the proceeds. If, however, they cancel a stamp on matter mailed at their offices, no matter where the stamp is sold, they get 60 per cent. of its value. If they pay a money order they receive a quarter of one per cent. of its amount.

This rule is sufficiently cumbrous, but sufficiently equal. Postmasters continue to be so paid until their sales and cancellations, exclusive of money orders, reach \$400 per year. At that point a new rule is introduced. They still get the whole of the box rents, they still get the same commission on the sale and payment of money orders; but, upon the proceeds from the sale of waste paper, dead newspapers, printed matter, and twine, and upon the cancellation of stamps, they get 50 per cent. instead of 60, on the excess over \$400.

This new rule controls until such sales and cancellations, exclusive of money orders, reach \$1,200 a year. Then a new rule obtains. It is difficult to see why, but thereafter, on the surplus received from the sales of waste paper, dead newspapers, printed matter, and twine, the postmaster receives not 60 per cent., nor 50 per cent., but 40 per cent., and the same percentage on the value of stamps canceled.

When, however, the box rents and these various commissions, exclusive of the money-order business, shall aggregate \$1,000, the office is advanced from the fourth to the third class. Then there is a new and most curious rule for compensation. Then the postmaster receives a salary in lieu of the box rents and commissions before assigned to him.

To determine the amount of the salary in a given case, a fund is set apart. That fund is composed of all the box rents, if the postmaster owns the boxes and the rents do not exceed \$1,350 per annum. It is

composed of two-thirds of the box rents, if the government owns the boxes and the rents do not exceed \$1,000. To those sums, respectively, is added commissions on all other postal revenues of the office in different proportions, to wit, 60 per cent. on the first \$400, 50 per cent. on the next \$800, 40 per cent. on the next \$1,600, and 30 per cent. on the excess until the commissions amount to \$1,350.

That sum, so curiously compounded, does not constitute the salary of the postmaster, but out of it is dipped, so to speak, as many even hundreds of dollars as can be found. That is the salary for all postmasters, unless the gross revenues exceed \$4,000 per annum. When the revenues exceed \$4,000, the postmaster receives a percentage on the excess. That percentage constantly varies. It is one per cent. on all sums between \$4,000 and \$10,000. So often as the revenues double, the percentage is reduced one-tenth of 1 per cent. until the revenues reach the aggregate of \$1,200,000. On all revenues above that maximum the postmaster receives one-tenth of 1 per cent.; and still, when a salary reaches \$4,000, all these streams are turned off, except in the single case of the office at New York. There they continue to flow until the salary is swollen to \$8,000.

But these minute differences in the rate of compensation, which pervade all classes and distinguish one office from another in each class, are all dwarfed by that broad and fundamental difference which distinguishes the two highest from the two lowest classes.

The compensation of a postmaster in the third and fourth class is the equivalent allowed by law for administering his office. Every postmaster receiving less than \$2,000 per annum finds his own office, furnishes, warms, and lights it, does his own work, and buys his own stationery. But the moment his salary reaches \$2,000 the whole condition is changed. Then the office may be and usually is provided by the government; is furnished, warmed, and lighted by the government. His stationery and his clerks are paid for by the government. In possible, if not in actual cases, the salary is a mere sinecure, for which no service is rendered beyond signing official papers. Provision for these expenses, as is well known, is made by annual appropriations. The sums appropriated to these uses for the current year are as follows:

Clerks in post-offices.....	\$4,385,000
Rent, fuel, and light.....	450,000
Office furniture.....	20,000
Stationery.....	55,000

These large sums are distributed among the different post-offices entitled thereto, by a series of orders, allotting so much to one and so much to another. In theory these orders are made by the First Assistant Postmaster General; in practice they are made by a fourth-class clerk in the office of the First Assistant. No matter by whom made, this distribution will not be well made. Finite intelligence could not make a wise and just allotment of such a fund; infinite intelligence cannot be obtained for fourth-class clerks.

Postmasters are eager for large allowances. The most importunate are apt to be best served. They ask earliest and oftenest. They employ every kind of entreaty, and offer every sort of influence, personal and political. The clerk must act upon such a case as the postmaster presents. He has no means of rebutting it. It is not surprising, therefore, that the recent investigation by the First Assistant Postmaster-General resulted in a reduction at eight offices, amounting in the aggregate to \$54,530. It is not to be doubted that a broader inquiry would result in still larger reductions.

The following table will serve to illustrate some of the inequalities in such allowances:

List of eighteen of the principal post-offices, showing the revenue, salary, and allowances, and the relative cost of the postal service thereat.

Office.	Salary.	Allowances.						Gross receipts from quarters ended March 31, 1892.	Per cent. of gross receipts allowed for clerk hire.
		Rent.	Fuel.	Light.	Clerks.	Stationery.	Miscellaneous.		
Denver, Colo.....	\$3,200	\$2,500	\$270	\$315	\$21,124	\$257 10	\$768 65	\$137,489	15.4
Leadville, Colo.....	2,700	2,000	500	500	17,700	122 30	139 25	45,854	26.2
Galveston, Tex.....	3,000	(*)	(*)	(*)	11,500	182 55	187 40	77,002	15.3
Houston, Tex.....	3,000	900	75	400	9,100	79 80	363 61	41,604	21.7
Saint Louis, Mo.....	4,000	768	90	157	141,200	2,061 60	1,556 76	750,013	10.2
Kansas City, Mo.....	3,300	3,000	425	148	21,400	312 05	756 50	162,502	16.2
Minneapolis, Minn.....	3,100	3,600	(*)	(*)	18,244	354 95	684 47	118,728	15.4
Saint Paul, Minn.....	3,200	(*)	(*)	(*)	20,000	168 47	89 17	139,126	14.4
Peoria, Ill.....	3,000	1,500	270	360	6,500	219 65	92 30	65,937	15.6
Quincy, Ill.....	3,000	1,800	113	200	5,500	55 65	124 66	40,481	13.6
Fall River, Mass.....	3,000	(*)	(*)	(*)	4,000	48 00	50 25	22,300	15.6
Lowell, Mass.....	3,000	2,000	72	198	5,700	.....	.....	64,644	9.0
Brooklyn, N. Y.....	4,000	7,300	270	1,103	50,304	724 03	1,556 62	279,489	18.2
Buffalo, N. Y.....	3,700	.....	.....	.....	30,500	206 21	290 95	200,000	11.6
Atlanta, Ga.....	3,000	(*)	(*)	(*)	12,300	255 15	60 12	92,024	13.3
Savannah, Ga.....	3,000	2,500	70	302	9,600	203 33	224 60	60,000	16.6
Boston, Mass.....	4,000	.....	608	3,016	258,700	5,109 39	7,480 19	1,371,419	19.9
Philadelphia, Pa.....	4,000	.....	229	406	241,765	3,549 00	5,909 37	1,450,145	16.0
Average per cent.....	.....	.....	.....	.....	.....	.....	.....	.....	12.9

* Government building.

† Heating included.

In that list of eighteen offices the expenditure for clerk hire varies from 9 to 26.2 per cent. of the gross revenues. There is a difference of 3.6 per cent. between two offices in Illinois, of 4.6 per cent. between two in Massachusetts, of 6 per cent. between two in Missouri, of 6.4 per cent. between two in Texas, of 6.6 per cent. between two in New York, and of 10.8 per cent. between two offices in Colorado.

If the office at Boston could be administered by the expenditure of the same percentage of gross revenues for clerk hire which is spent at Philadelphia, it would effect a saving of \$45,256.82 at that office. If both offices could be administered for the average expenditure made at the whole eighteen, the saving would be nearly \$73,500. If the whole eighteen offices could be administered by the expenditure of 9 per cent. of the gross revenue for clerks, which is the cost at Lowell, the saving would be very great.

I cannot help thinking it wholly practicable greatly to simplify and equalize these disbursements. In the first place, I do not think an allowance for office rent should be made to the postmaster in any case. Such an allowance holds out a double temptation to the postmaster: He is tempted to get large allowances from the department, and to supply cheap accommodations to the public.

It will be my purpose to rent, as early as practicable, every building required for first and second class offices which the government does not own. There are now 587 offices belonging to those two classes. Eighty-eight belong to the government; 269 are leased to the government; and 230 are supplied by postmasters, who are in turn compensated by allowances.

Wherever the department rents an office, it will be its fault if a suitable one is not provided, and its fault also if the terms are not as favorable as the place will afford.

Secondly, I think every post-office that is rented by the department should have a suitable equipment of boxes and drawers supplied, not by the postmaster, but by the department or the lessor of the building.

Of 499 buildings now rented, only 149 are equipped with boxes by the department. The charge to patrons for the use of boxes should be reasonable, and should be uniform. At present they are neither. These reforms can be effected without the aid of further legislation. I venture to suggest, however, some reforms much needed, and which, if approved, will require an amendment of existing laws.

The partnership now existing between the government and the postmaster in the use of letter-boxes should be dissolved. Whenever the government owns the boxes, or hires them with the building, the whole of the rental paid by patrons, and not two-thirds of it, belongs to the revenues of the department as much as the postage does. Where, on the contrary, the postmaster supplies the boxes and the government does not, the latter should no more share in the proceeds from their rent than in the rent of any other property belonging to the officer. In all cases, therefore, in adjusting the pay of postmasters, I think box rents should be wholly eliminated from the calculation; and I am strongly inclined to the opinion that the whole system of regulating the compensation of postmasters should be radically changed. I know of but two reasons for paying postmasters at all: One is, he incurs responsibility; and the other, he performs labor. Both the responsibility and the labor are accurately measured by the business transacted at the several offices. The business transacted at each office is measured with sufficient accuracy by its revenues. The two marked exceptions to this rule are the offices at New York and at Washington. The former office should be excepted because of the large amount of foreign mail handled at that office.

The whole number of foreign letters estimated to be received in a single year at Baltimore, Boston, Chicago, Key West, New Orleans, New York, Philadelphia, and San Francisco was 15,809,021. The number of foreign

postal cards was 177,245. The whole number of other articles received from foreign countries, 14,346,748. Of these aggregates, 13,674,102 letters, 139,100 postal cards, and 12,892,218 other articles were treated in the office at New York.

The office at Washington should be excepted, because of the large percentage of matter handled there emanating from Congress or from the departments, and which yields no revenue to the office. It is estimated that not less than 70 per cent. of all the matter mailed at that office emanates from those two sources.

For those two offices special provision must probably be made. But, with the exception of those two offices, it may well be doubted if there is another postmaster in the United States holding a first or second class office who would not be glad to administer it, furnishing his own help, fuel, light, and stationery, for a sum considerably less than the allowances now made for all those purposes added to his salary. If it is worth 60 per cent. to collect the first \$400 of postal revenue at a given office, I do not see why it is not worth the same percentage to collect the second, or any subsequent sum equal in amount. On the contrary, if \$400 can be collected at a cost of 30 per cent. after \$2,000 have been collected at the same office, I do not see why a larger percentage should be paid for collecting the first \$2,000.

If there are offices from which the revenues are so small, that no citizen will be troubled with its duties for a share of its commissions, it may be expedient to release the whole revenue to the postmaster up to a given point; but when that point is reached and the proper retainer is paid and commissions commence, it seems to me that one rate of commissions should be paid to all postmasters who find their own offices. Another and smaller rate should be paid to such as occupy offices rented by the government, but are warmed and lighted by the postmasters; while another and somewhat smaller rate still should be paid to postmasters who occupy public buildings warmed and lighted by the government, with special provisions made for the offices at New York and Washington.

What these several commissions should be could not be safely determined until after a thorough inquiry, prosecuted by a judicious committee, under legislative authority. Once ascertained, I believe many thousands of officeholders, including postmasters and clerks, would be transmuted into laborers. Clerks would be selected more with reference to what they could do behind the cases and less for what they had done at the hustings. Post-offices would more resemble workshops and less almshouses. They would be administered with less cost to the government and more profit to the incumbent.

Such an inquiry I earnestly commend to the consideration of Congress

TAR TRANSPORTATION.

The report of the Second Assistant Postmaster-General gives a clear and comprehensive exhibit of the management of the star service for

the fiscal year just closed. It will be noticed that the broad purpose of providing adequate postal facilities for all communities, without regard to geographical location, is made the first and leading consideration in the arrangement of the service; and to secure that result without an improvident expenditure of means is the second consideration.

The department is clothed with the widest discretion in regard to the amount of service to be performed on star routes. To provide all needed postal facilities, and at the same time to guard against unnecessary expenditure, is a most difficult duty, and one that calls for the exercise of unusual care and patient inquiry. The results given in the report afford gratifying evidence that during the last fiscal year that delicate duty has been very satisfactorily discharged.

The aggregate length of all star routes on the 30th of June, 1882, was 227,621 miles, showing a decrease during the year of 3,678 miles. The aggregate transportation during the year was 76,924,867 miles, being a decrease of 2,632,429 miles. The annual cost was \$5,553,849, being a decrease of \$1,403,506.

RAILROAD TRANSPORTATION.

The expansion of the railroad system has been greater during the past year than ever before in any one year. Important connections have been made with California and Mexico.

The aggregate cost of the service is largely increased each year. Such must continue to be the case so long as the rapid expansion of the service shall continue.

The steady growth of this expenditure has provoked much discussion for some time past concerning the rates of pay for carrying the mails on railroads. The subject is most important; and the suggestions of the Second Assistant Postmaster-General, that additional safeguards be thrown around the large annual disbursement for railroad services, and that any change in the laws governing the rate of pay should be made upon ascertained facts, rather than upon opinion, are recommended to the especial notice of Congress.

The aggregate length of all railways over which mails were transported at the close of the last fiscal year was 100,563 miles, showing an increase during the year of 8,994 miles. The aggregate transportation over such roads during the year was 113,995,318 miles, being an increase of 10,474,089 miles. The cost for the year was \$12,753,184, being an increase of \$1,139,816.

Without entering into the transactions of the contract office in detail, an intelligent understanding of its conduct of affairs in the aggregate may be gathered from the fact that the appropriation for all items incident to inland transportation for 1883 is \$26,067,000, while the estimate for the same items for 1884 is \$25,494,120.

It will thus be seen that the entire transportation service, notwithstanding its rapid growth, will be conducted for the next fiscal year for \$572,880 less than the appropriation for the current year.

RAILWAY MAIL SERVICE.

The report of the General Superintendent of the railway mail service is an interesting exhibit of the magnitude to which that branch of the service has attained.

On the 30th of June, 1882, the railway post-offices numbered 769. They occupied 342 whole cars and 1,462 apartments in cars. These cars ran over roads whose aggregated length was 87,865 miles, and the service performed during the year amounted to 75,741,438 miles.

In the administration of this service 3,570 postal clerks were employed, with salaries aggregating \$3,486,779, which is an average annual salary for each clerk of \$976.68. The average number of miles traversed by the clerks during the year was 38,564. This is a fraction less than two cents and six mills per mile.

Comparing these figures with those of the Second Assistant Postmaster-General, it appears there were at the close of the year 12,698 miles of railway which were not post-office lines, and that 38,253,880 miles of service was performed during the year with express mails and closed pouches.

During the year there were handled by the railway postal clerks 2,155,213,880 letters and postal cards, 1,278,176,630 pieces of other mail matter, being a total of 3,433,390,480 pieces, besides 14,234,310 registered packages, and 570,483 through registered pouches.

This shows an increase over the work of 1881 of 351,239,160 letters, 228,880,250 pieces of other mail matter, and 2,776,028 registered packages and pouches. But, while the work performed during the the last fiscal year was greatly in excess of the work of the previous year, the salaries paid to the clerks averaged \$1.85 less during 1882 than for the year 1881.

In handling this immense number of pieces 902,489 errors were committed, or one error for every 3,805 pieces handled. During the previous year one error was committed in every 3,624 pieces handled. In 1880 one error was committed in every 3,482, and during 1879 one in every 3,469. During the past year 405,706 errors were checked against postmasters, as against 454,349 errors in 1881.

These figures show that, while the administration of the postal service is not yet perfect, there is a constant improvement in the efficiency, both of postmasters and of postal clerks; and, considering that postal clerks perform their work on cars while in rapid motion, that they must themselves work with great celerity, and yet make but one error in every 3,805 pieces handled, it is believed that for accuracy this corps may safely challenge comparison with any other service in this country or elsewhere.

During the past fiscal year 1,027 postal clerks were appointed upon six months' probation. Of that number 208 failed to pass examination, and were dropped from the rolls at the end of the probationary term. During the same year there were 83 casualties, in which three postal clerks lost their lives; 16 were seriously and 20 were slightly wounded.

I concur in the recommendation of the General Superintendent, that the Postmaster-General be authorized by law to pay out of the appropriation for postal clerks, to the widows or guardians of minor children of such clerks as may be killed while on duty, a sum equal to two years' salary of the grade held at the time of the death; and that postal clerks temporarily disabled while on duty be continued on leave with full pay until recovery, not to exceed one year. Such payments, probably, will involve no increased appropriations, as the deductions from pay for failure to perform service and for absence without leave would amount to enough every year to meet these requirements.

Attention is also invited to the recommendation of the superintendent, that a portion of the appropriation for the transportation of mails by railroad may be applied to the purchase of machinery, &c., for printing facing-slips.

The conclusion of the superintendent's report deserves the serious consideration of Congress. It is as follows:

It should not be forgotten that but for the fact that during the past twenty-two years the tenure of office of all postal clerks has been, by the general practice of the Department, permanent during good behaviour, the service could never have attained its present state of efficiency. So long, however, as this general practice remains un-sanctioned by positive law compelling it, there is still sufficient uncertainty about the tenure of office to interfere with that entire and perfect confidence that merit and efficiency are certain of reward, if not by immediate promotion, at least by retention in the service, which is necessary to inspire men to devote themselves enthusiastically to the work in which they are engaged.

Were the tenure of office absolutely secure, young men entering the service would devote themselves to it as a life profession, having before their eyes the hope of eventually rising to the position of superintendent, just as the present superintendents have risen step by step from the lowest grade in the service.

That there is a special reason why the railway postal service should be protected by the legislation herein recommended has been recognized for many years by the practice of the Department, but there never was a time before when the public interests would so greatly suffer by the inauguration of a policy which should lead the railway postal clerks to believe that, in any instance or under any circumstances, a good record for the faithful and efficient discharge of their duties would not be sufficient to secure their retention in office during continued good behaviour, because never before has the railway postal service been conducted by men who have made it the sole business of their lives for nearly twenty years to add to its efficiency, and who have learned to meet the wants of the public in postal facilities as fast as such wants arise; and never before have the postal clerks been trained by so many years of experience and study to secure the greatest possible certainty, celerity, and security in forwarding to their destination every letter and other article of mail matter intrusted to their care.

FAST MAILS AND SPECIAL FACILITIES.

Among the estimates submitted for the office of the Second Assistant Postmaster-General is an item of \$600,000, to be expended in expediting mails on railways. The same sum was appropriated for the same purpose during the current year.

Touching these items it is proper to say that I have as yet been unable to make any arrangements for fast service out of the existing ap-

propriation upon terms which seemed reasonable. Certain service which I found in operation is still maintained at the rate of compensation originally agreed upon. This service includes the fast mail between New York and Charleston, South Carolina, New York and Springfield, Massachusetts, and the 4.35 forenoon dispatch from New York via the Hudson River and New York Central. A full account of this service is given in the report of the General Superintendent of the Railway Mail Service, page 231.

By reason of explanations quite freely made by me before the appropriation was made, and by the terms of the appropriation itself, I felt it my duty to employ the fund in organizing a fast mail between New York and San Francisco, and between New England and New Orleans. These are the two great trunk lines which feed the most branches. The appropriation was found inadequate to the end contemplated.

I am not, indeed, able to say what sum would accomplish the object first named. A proposition was submitted for a mail from New York to Chicago; but after mature consideration, the managers of the several roads operating between Chicago and the Missouri River jointly declined to submit any proposition, saying:

On information, obtained from officials of the Department, respecting the largest amount of compensation for such service at the disposal of the Department, we are led to conclude that it is not possible to run the train on the time and under the conditions imposed, without a large deficiency of income to meet the expense of the service.

I am inclined to the opinion that some desirable expedition might have been obtained over the lines between the Missouri and the Pacific, if the law would have permitted me to expend the fund upon those companies. As such was not the case, I have thought it proper to leave the money in the Treasury until Congress shall designate some other direction for its employment.

Besides the financial results noted in the commencement of this report, the following instructive facts are gathered from the report of the Third Assistant Postmaster-General:

ISSUE OF POSTAGE STAMPS, STAMPED ENVELOPES, AND POSTAL CARDS.

The issue of postage stamps, stamped envelopes, and postal cards upon requisitions during the year were as follows:

	Number.	Value.
Ordinary adhesive stamps	1,144,566,000	\$29,679,528.00
Newspaper and periodical stamps	1,714,000	4,671,000.70
Special stamps for collection of postage due	12,000,000	2,170.00
Postal cards	1,000,000	2,000.00
Stamped envelopes, plain	144,744,700	2,000,800.00
Stamped envelopes, special request	1,714,000	2,170.00
Newspaper wrappers	41,000,000	500,000.00
Official postage stamps	1,000,000	1,000.00
Official stamped envelopes and wrappers	2,000,000	2,000.00
Aggregating	1,749,974,000	40,978,000.42

The number of requisitions filled was 464,710.

A statement of the values of stamps issued during the last fiscal year, compared with the issues of the fiscal year which ended June 30, 1881, will be found in the appendix to this report, pages 360-367.

POSTAGE ON SECOND-CLASS MATTER.

The postage collected on second-class matter during the past year amounted to \$1,565,103.28. That is an increase of \$166,054.64 over the collections of the previous year.

Of the total amount realized from second-class matter, 27.19 per cent. was collected at New York; 9.92 per cent. at Chicago; 6.16 per cent. at Boston; 5.43 per cent. at Philadelphia; 4.44 per cent. at Saint Louis; 3.56 per cent. at Cincinnati; 3.28 per cent. at Augusta, Maine; 1.71 per cent. at San Francisco; 1.45 per cent. at Detroit; 1.23 per cent. at Milwaukee; 1.22 per cent. at Louisville; 1.01 per cent. at Pittsburgh; .99 of one per cent at Cleveland; .96 of one per cent. at Saint Paul; .92 of one per cent. at Toledo, and .86 of one per cent. at Baltimore. The remainder was collected at 5,064 other offices scattered throughout the country.

REDUCED PRICES OF STAMPED ENVELOPES.

A new contract was made in June last for stamped envelopes. The average reduction in price is nearly 7 per cent. That reduction is the more gratifying, because it follows a reduction of about 20 per cent. made in the last contract over the one which preceded it. Estimating the number of the different kinds of envelopes to be issued under the new contract upon the basis of the number actually issued during the year which ended on the 31st of March last, the aggregate cost will be \$456,197.58. Five bids were received for the manufacture of such envelopes. The cost of the same number and kind under the highest proposal submitted would be \$476,585.40. There was thus only a little more than \$20,000 between the highest and the lowest offer made for a contract, which will amount to something like a half million of dollars.

That fact furnishes plenary proof, both that bidders were equally well informed of the services expected and that the bid accepted, while it was the best offer, was not likely to subject the contractor to a loss.

DEAD LETTERS AND PARCELS.

The whole number of pieces of mail matter handled during the year, including a balance of 124,731 letters on hand July 1, 1881, was 4,285,285. That is an increase of about 15 per cent. over the previous year. Of these, 3,288,589 were unclaimed domestic letters; 60,476 were unclaimed domestic packages; 356,287 were letters of foreign origin; 954 were letters for foreign countries containing unmailable articles; 17,313 were foreign parcels containing printed matter, samples, &c., returnable to the countries of origin under special postal arrangements; 275,240 were held for postage; 274,715 were misdirected, and 11,711 bore no superscription whatever.

Of the letters opened 19,989 contained money amounting to \$44,326.65; 24,575 contained drafts, checks, money orders, &c., representing a value of \$1,962,413.73; 90,842 letters and parcels contained merchandise; 52,463 contained postage-stamps; 44,731 contained receipts, paid notes, &c.; 39,242 contained photographs. \$7,657 were taken from dead letters which could not be restored to owners; \$3,739.02 were collected upon insufficiently-paid letters. These two items represent the entire revenue derived from the dead-letter service. More minute details will be found in the report of the Third Assistant Postmaster-General, at pp. 368-373 and tables numbered 10-15.

NEW MODE OF TREATING HELD-FOR-POSTAGE MATTER.

An important change in the mode of treating held-for-postage matter was inaugurated on the 1st of July under the provisions of a departmental order dated May 11, 1882.

Formerly, first-class matter deposited in a post-office, on which less than one full rate was paid, and third and fourth class matter not paid in full, were sent to the Dead-Letter Office instead of to the addressees.

The new order directs the postmaster at the office of mailing, to notify the addressee by card, of the existence of the letter and of the deficiency in postage, to the end that, if he chooses, he may remit the postage and have the letter forwarded. This new mode is, for the present, confined to the free-delivery offices.

Reports have been received from 97 of those offices, showing that the total number of pieces finally treated by them during the quarter ended September 30 last, was 71,478, of which 59,711, or nearly 84 per cent., were forwarded to the addressees.

REGISTRATION OF LETTERS AND PARCELS.

The whole number of letters and parcels forwarded by registered mail during the year was 9,627,922. The amount of registry fees collected was \$841,497.90. The actual estimated losses (some cases being still under investigation) were unusually few in number, consisting of 726 letters or parcels only, or one out of every 13,262 forwarded.

POSTAL MONEY-ORDER SYSTEM.

The report of the Superintendent of the Money-Order System is, as usual, interesting and instructive. I extract from it such facts only as touch upon the growth of the business, and the proposed modifications in that branch of the service.

The money-order offices conducting domestic operations numbered 5,491 at the close of the last fiscal year. The orders issued by the same aggregated in value \$113,400,118.21. The orders paid and repaid aggregated \$113,388,504.90. The fees received from the public amounted to \$1,053,710.55. That was an increase of nearly 9 per cent. over the previous year. The gross revenue from the domestic money-order

business was \$280,341.17. That sum, together with \$80,426.18 derived from international money-order business for the year which ended June 30, 1881, has been paid into the Treasury for the service of the Post-Office Department. After deducting therefrom all the expenses of the money-order service, which were paid during the year from appropriations, there remained a net profit of \$165,030.25.

Allowances for clerk-hire were made during the year, amounting to \$175,548.84. These allowances were to offices where the total compensation of the postmaster from all sources amounted to \$4,000.

At the last session of Congress a bill embodying certain modifications in the money-order system, which were recommended by my predecessor in the last annual report, and which received the approval of the Committee on Post-Offices and Post-Roads, passed the House of Representatives. It did not reach the Senate early enough to secure the consideration of that body.

I respectfully renew the recommendation made in that report with reference to a modified scale of fees for money orders, diminishing the cost thereof, and of the desirability of conferring upon this Department authority to issue, in connection with the present money order, orders of a new form, to be called postal notes, for sums under \$5, and at a fee to the public of three cents.

FOREIGN MAILS.

From the report of the superintendent of foreign mails it appears that the total weight of the mails dispatched to Postal Union countries, Canada excepted, during the last fiscal year was 2,203,876 pounds, an increase of weight of 452,353 pounds over that of the preceding year.

Of the correspondence dispatched, 42.6 per cent. of the letters and 44.8 of the printed matter, samples, &c., were sent to Great Britain; 24.5 per cent. of the letters and 18.6 per cent. of the prints, samples, &c., were sent to Germany; 24.3 per cent. of the letters and 19.3 per cent. of the prints, samples, &c., were sent to other countries of Europe, and 8.8 per cent. of letters and 17.3 per cent. of prints, samples, &c., were sent to other union countries and colonies.

The percentage of increase over the weights of the preceding fiscal year was $21\frac{1}{2}$ per cent. for letter mails, and $26\frac{7}{8}$ per cent. for prints, samples, &c.

The payment for the transportation of ocean mails, under the general law limiting the compensation to the sea-postages on the mails conveyed, amounted to \$280,163.98, an increase of \$41,014.77 over the cost of the same service during the preceding year. Of this amount, \$233,485.34 was expended for the trans-Atlantic service, \$16,537.38 for the trans-Pacific service, \$30,141.26 for the service to Mexico, the West India Islands, Canada, Newfoundland, and countries and colonies of Central and South America. The increased cost over that of the same service for the fiscal year 1881 was 17.1 per cent. Compared with the

cost of the ocean transportation for the fiscal year 1880, the increase in two years was over 41 per cent.

The republics of Nicaragua and Costa Rica have been recently admitted to the Postal Union, and the only countries and colonies of the world which have organized postal establishments, not embraced in the union, are Bolivia and the British Australasian colonies.

The limits of weight and dimensions for packets of samples of merchandise prescribed by article 5 of the Paris convention, have been extended by special arrangements concluded with Belgium and Switzerland, respectively, so as to admit such packets to circulation in the mails exchanged with those countries, when not exceeding the weight of 12 ounces, and the dimensions of 12 inches in length, 8 inches in width, and 4 inches in depth.

TOPOGRAPHER'S OFFICE.

The series of postal maps already published now consists of 26, comprising 65 sheets.

New photolithographed maps of New Mexico and Arizona, of Oregon and Washington, and of the Territories of Montana, Idaho, and Wyoming, and engraved plates of Virginia and West Virginia have been completed; also a new map photolithographed of the Mississippi River has been produced. There are under construction, drawings for new maps of Florida, North Carolina, South Carolina, California, and Nevada.

MAIL DEPREDACTIONS.

The force employed in the division of the Chief Post-Office Inspector has been active and efficient during the last year, as will be seen by the report of its chief. The number of cases investigated and reported upon during the year are as follows:

Registered cases.....	5,890
Ordinary cases.....	31,469
Miscellaneous cases.....	4,678

Four hundred and ninety-six arrests were made. Of these 441 were prosecuted in the courts of the United States and 55 in the courts of the several States. Of the former, 193 were convicted and 18 acquitted; 7 escaped, 1 forfeited bail; 40 cases were dismissed, and 182 await trial. Of those prosecuted in the State courts 14 were convicted, 7 acquitted, 2 escaped, 27 await trial, and 5 cases were dismissed.

The disbursements on account of appropriation for post-office inspectors and mail depredations during the fiscal year ended June 30, 1882, salaries and expense allowance of post-office inspectors, attorney's fees, rewards, &c., were \$166,551.25.

There are claims against this fund still unadjusted.

NEW MONEY-ORDER OFFICE BUILDING.

By the provisions of the act of March 1, 1881, making appropriations for the service of the Post-Office Department for the fiscal year ending

June 30, 1882, the Postmaster-General was authorized "to take the necessary steps to rent a suitable building, or buildings, for the use of the Money-Order Office of the Post-Office Department, and of the money-order division of the Auditor of the Treasury for the Post-Office Department," provided, "that the annual rental of such building or buildings shall not exceed \$5,000." The Postmaster-General, however, was unable to rent a building of the necessary capacity for the amount of money specified in that act. Wherefore, at its last session Congress passed an act extending the limit of the appropriation for the rent of a building for the money-order service to \$8,000. Upon the passage of this act a number of offers were made of buildings in the neighborhood of the Post-Office Department for the use specified; but upon investigation it was found that the buildings tendered either lacked a sufficient amount of space for the purposes of the Department, or were held at too high a rental value. Finally, an offer was made by Messrs. R. A. Hooe, of Washington, and Robert Beverly, of Virginia, the owners of the property on the corner of Eighth and E streets, square numbered 406, to erect a building on said property for the purpose contemplated.

On the 16th of March last I entered into contract with Messrs. Hooe and Beverly, a copy of which will be found in the Appendix. That building has been erected. The clerks composing the Money-Order Office of this Department and the Sixth Auditor's Office are now established in it. The new building contains about 15,000 feet of space for clerks, is furnished with an elevator, good heating appliances, and appropriate electric bells and speaking tubes; is well lighted and ventilated, and is connected with the department building by a light, but substantial iron bridge.

By the terms of the contract, the government is given the option of purchasing this property for \$85,000 at any time within two months after the opening of the next session of Congress. Three considerations commend this opportunity to the prompt acceptance of Congress: First. There seems to be little doubt that the government will soon imperatively need the whole of that square. Second. Good judges of property are of the opinion that if this particular lot is not taken upon the terms and within the time specified, it will never be secured for less than \$100,000. Third. The rent reserved amounts to more than 9 per cent. per annum on the price demanded.

It seems little less than profligate to pay 9 per cent. for rent when the money can be had for $3\frac{1}{2}$ per cent. to purchase.

RATES OF POSTAGE.

I remain of the opinion expressed in my letter of the 18th of May last, addressed to the Speaker of the House of Representatives, that the postage on second-class matter ought properly to be abolished. It does not seem just, and if not just, it cannot be wise to charge for carrying some newspapers and to carry others free, or to charge for carrying a

newspaper to some subscribers and to carry the same newspaper to others without charge.

I wish also to repeat, and to emphasize the opinion expressed in the same letter, that the rate of postage on fourth-class matter should be increased. To charge three cents per half ounce for carrying messages from one post-office to another, and yet to carry merchandise from one side of the continent to the other for one cent an ounce is not approved by good sense, if it is by good morals.

Some anxiety has been manifested to reduce first-class postage to two cents per half ounce. If it should be thought such a reduction in rates would cause too great a shrinkage in the revenues, I would respectfully suggest that correspondence may be cheapened almost as much by another measure, much less costly to the Treasury.

If Congress will authorize the sale of stamped envelopes at the same price at which adhesive stamps are sold, it would lessen the cost of correspondence.

The government is now the largest dealer in envelopes there is. It sells, as nearly as practicable, at the cost of manufacturing, with the postage added. After the first of January next the present tariff of prices will be somewhat reduced, owing to the more favorable terms of a recent contract for their manufacture. Yet, under the reduced tariff, if the single rate be reduced to two cents, a correspondent who buys a single stamped envelope will be compelled to pay three cents for it. If he buys more than five and less than a hundred, he will have to pay $2\frac{1}{2}$ cents each. If he buys more than a hundred at a time, he will be able to get them at a small fraction less than that. If, on the contrary, the correspondent buys adhesive stamps at the post-office, and his envelopes of private dealers, the cost will be still greater.

Regardless of economy, a large percentage of correspondents do in fact buy the adhesive stamp instead of the stamped envelope. During the last fiscal year 680,163,700 adhesive stamps of the denomination of three cents were issued for prepayment of postage by the public, while only 168,696,250 stamped envelopes of the same denomination were issued. It is safe to assume that the purchasers of those adhesive stamps paid an average price equal to a large fraction of a cent each for the envelopes on which to put them. If the department could have supplied the envelopes at the cost of stamps, it would have been equivalent to a reduction of that fraction of one cent in postage. Yet it would have cost the government, under the present contract, less than \$2,000,000 to furnish the envelopes. And even this apparent loss would have been compensated by two great advantages:

An adhesive stamp, not properly canceled, can be removed and re-used. It is not doubted that the revenue is seriously impaired annually by this one cause. The envelope can never be used but once. So far as the stamped envelope can be substituted for the adhesive stamp, all such depreciation of revenue is avoided.

Another benefit to accrue from the substitution of stamped envelopes for adhesive stamps, is the saving of labor in the administration of the service. A letter deposited in a post-office, on which less than one full rate of postage is prepaid, is treated in one of two ways. If it be deposited in a free-delivery office, and the writer is unknown, the postmaster sends a notice to the addressee that he may, if he will remit the postage, have the letter forwarded. That imposes labor upon the local postmaster. If the same letter is deposited in any other than a free-delivery office, it is sent at once to the dead-letter office, to be treated there. That imposes labor upon the department. The whole number of domestic letters treated in the dead-letter office during the last fiscal year was 3,709,266. Of these, 275,240 were letters held for postage. But a letter once inclosed in a three-cent stamped envelope has one full rate prepaid. That letter cannot be held for postage. It will go forward at once; the postmaster at the office of delivery will tender it to the addressee upon receiving the postage due.

Again, the correspondent who orders stamped envelopes to the number of 500 may have his name and address, with a request to return, printed thereon without additional charge. Then if the addressee cannot be found the writer may be found without resort to the dead-letter office. Out of 6,000 letters sent to the dead-letter office on the 4th instant, only four had such requests upon them. By such means the work of the dead-letter office may be reduced to the minimum.

The Postal Establishment has attained huge proportions. It is conducted at an annual cost of \$50,000,000. It should do whatever it can do well. What it can do elsewhere it can do here. Yet the fact remains that the postal service does in other countries many things which it has not yet attempted in this country.

POSTAL COLLECTION SYSTEM.

In Belgium, Switzerland, and Germany, the post-office is employed in the collection of bills not exceeding 500 francs in any one sum. The system is briefly this: The creditor purchases a special envelope of the post-office, for which he pays 25 centimes, and in which he incloses his account, and directs to the postmaster within whose delivery the debtor resides. The bill is handed to the carrier, who presents it to the debtor on his round. If not paid, the bill is simply returned. If paid, the carrier returns the money to the postmaster. For his services he receives 25 centimes if the amount is 100 francs or more; if less than 100 francs, he receives 15 centimes. The postmaster receives a like sum for his services, and sends the creditor a postal order for the balance, less the proper fee for the order.

In Germany, during the year 1876, 2,750,000 accounts were thus collected. In March last the system was authorized in France. I respectfully invite Congress to consider whether, by authorizing a similar system here, something cannot be done to further utilize the postal estab-

lishment and augment its revenues; to lessen the cost of collecting tradesmen's bills, and to inculcate in the people the habit of promptly meeting their small bills as the banks inculcate the habit of meeting large ones.

POSTAL SAVINGS-BANKS.

I follow in the steps of many of my predecessors in this office when I invoke Congress to make one more effort to engraft upon the postal service a system of deposits for small sums. The great lesson our people need to learn is that of economy. The American people are apt to earn, but are not wise to save.

The easy introduction to the art of saving is to provide a convenient and safe means of saving. A lucrative means is less essential. A place near at hand where a dollar may be deposited and may be secure against the temptations of the burglar, the thief, and the saloon-keeper, even if it accumulates but very little, has everywhere proved a strong inducement to saving. The post-office is near to every citizen; the savings bank must always be remote from most. The post-office need not be a substitute for the savings bank, nor its rival, but its feeder; a place where small deposits with slow accretions may securely grow into large ones, then to be transferred to savings banks on longer terms and with larger earnings.

POSTAL TELEGRAPH SYSTEM.

Another and a broader field of activity not yet occupied by our postal establishment is that of the telegraph. In almost all countries, save this, telegraph service is conducted by the postal authorities. Presidents, Postmasters-General, and committees of both houses of Congress have heretofore urged that the Post-Office Department of the United States should take exclusive possession of that service. Already Congress has provided a mode for adjusting the terms upon which the United States may purchase all telegraph lines, either for postal or other purposes. (Revised Statutes, section 5267.)

After the fullest consideration I have been able to give to the subject, I am forced to the conclusion that the time has fully come when the telegraph and postal service should be embraced under one management. The whole subject has been argued in former years. I shall do but little more than summarize that argument.

The business of the telegraph is inherently the same as that of the mail. It is to transmit messages from one person to another. That is the very purpose for which post-offices and post-roads are established. The power to establish is not limited to any particular modes of transmission. The telegraph was not known when the Constitution was adopted. Neither was the railway. I cannot doubt that the power to employ one is as clear as to employ the other.

If the union of the two services did not improve that of the tele-

graph at all, I think it would improve the postal service in some important respects. It would necessitate the employment of telegraph operators for postmasters in many offices. That would result in giving to the administration of not a few offices men who have learned to do one thing in place of those who have never learned to do anything. If the two offices were united, whenever a mail did not arrive on time, the public thronging the post-office would learn, not merely that the mail had not arrived, but when it would arrive.

Again, the necessity for delivering messages would facilitate and gradually draw after it the free delivery of mails in places where free delivery in itself is impracticable.

But a union of the two services would, I believe, improve the telegraph more than it would the postal service.

I prefer no accusation against the administration of the former service. Admitting it to be honest and efficient, the fact remains that it is not cheap, and under corporate control it cannot be cheap. Rent for both services would cost but little more than the cost for one. So of fuel and of light. Where there is now a free delivery of mail, telegraph messages could be delivered at less cost by the post-office than by a corporation. Besides, if the business was controlled by the government, there would be but a single management for the whole. The business is now charged with the cost of many different managements. One direction is cheaper than several.

Again, corporations will seek, and ought to have, not only remuneration for cost of administration, but interest on the capital invested. Telegraph companies seek and secure a large interest on their capital; and what is still more burdensome to the public is the fact that the aggregate outlay of the companies is always greatly in excess of the actual cost of their property.

The office of the telegraph is not indispensable in the sense that air, water, and food are; but it is so essential to social, political, and commercial life that it must be had. If it cannot be obtained at one price, it will be at another. No one corporation has been or will be allowed quietly to monopolize the business. No one set of men will be permitted exclusively to sell services which all must have. And yet, while monopoly will not be permitted, competition beyond a certain point cannot be tolerated.

When competition profits the public who purchase the service, it becomes injurious to the companies which sell. When it becomes injurious to the companies, the competition is extinguished by the purchase and absorption of the competitor. The price paid for the franchises of a rival concerns the purchaser but little; it concerns the public deeply. The people must pay the fees which will yield dividends on the new and on the old capital. So it has happened that the one corporation which has built most miles of telegraph has been the largest purchaser of telegraph property. It must continue to be so. No matter how rich

a company may be, it is powerless to prevent the organization of new and competing enterprises. Its sole protection is to buy when the new rival proves hurtful. No matter how conservative or just may be the management of the purchasing company, it will demand from the public dividends on the capital invested to extinguish the rival. The only security capital can have against these recurring raids is to surrender the business to the government. The only protection the public can have against these multiplied exactions is, for the government to assume that exclusive control over the transmission of domestic messages by electricity, which it now has over the slower methods by steam and stage-coach. Safety for those who sell and those who buy telegraph service is promoted by the same measure.

But a stronger reason still, why the government should control the telegraph, is found in the fact that it is as potent for evil as for good. Like government itself, it is too terrible to be wielded by other than representatives of the whole people.

In the great commercial centers, public stocks, corporate and mining stocks, bonds, and the staple products of agriculture are bought and sold daily, to the amount of thousands of millions. In all those markets one great telegraph company wags its tongue incessantly. For all those commodities it is the arbiter of prices. Prices go up or down according to its inculcations. Whoever controls its utterances may at pleasure buoy a market in which he wishes to sell, or break one in which he wishes to buy. That is an agency much too dreadful to entrust to private hands.

I am far from asserting that a use so malign ever has been made of this agency. I speak of its capabilities, not of its history. Knowing that it can be so abused, it seems to be the dictate of prudence not to wait until it is so abused. It is manifest that even when the government controls the telegraph a falsehood which may sink a stock or float it may still be sent over the wires. But truth will have equal freedom on the lines. In government hands the telegraph will maintain an exact neutrality between the two fierce parties, which, day by day and year by year, contend for supremacy in the markets. In private hands it may become the mere creature, as malignant as mighty, of that party which its owner, from time to time, chooses to join. If he choose, he may give free course to falsehood, and if he choose, he may imprison the truth. Who else can trade in a market dominated by such a power?

It may be objected, and has been, that the measure proposed would largely extend the roll of Federal officials. That increase has doubtless been exaggerated. At a very large percentage of the offices the telegraph operator would not supplement the postmaster, but would supplant him. Besides, I know of no law but necessity limiting the employment of officials. The government is not wise which employs a single officer not needed. It is unwise if it refuses to employ thousands when they are needed.

Within the life of this generation this government employed more than two and a half millions of officers. They were all armed. They did not destroy the country; they saved it. It is not difficult to find individuals who employ a thousand men and find profit in it. It does not become fifty millions to shrink from employing a hundred thousand if they have need for their services.

T. O. HOWE,
Postmaster-General.

The PRESIDENT.

PAPERS

ACCOMPANYING

THE REPORT OF THE POSTMASTER GENERAL.

ESTIMATES OF THE APPROPRIATIONS FOR THE POSTAL SERVICE FOR THE FISCAL YEAR ENDING JUNE 30, 1884.

OFFICE OF THE POSTMASTER-GENERAL.

Mail depredations and post-office inspectors, including amounts necessary for fees to United States marshals, attorneys, &c	\$225,000 00
Advertising	50,000 00
Miscellaneous items in the office of the Postmaster-General	2,000 00

OFFICE OF THE FIRST ASSISTANT POSTMASTER-GENERAL.

Compensation to postmasters	10,134,091 25
Clerks in post-offices	4,850,000 00
Letter-carriers	3,600,000 00
Wrapping-paper	25,000 00
Wrapping-twine	55,000 00
Marking and rating stamps	25,000 00
Letter balances, scales, and test-weights	25,000 00
Rent, fuel, and light	450,000 00
Office furniture	30,000 00
Stationery	65,000 00
Ink for stamping and canceling purposes	10,000 00
Pads for stamping and canceling purposes	10,000 00
Miscellaneous and incidental items	20,000 00

OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL.

Inland transportation, railroad routes	12,000,000 00
Railway post-office car service	1,625,000 00
For necessary and special facilities on trunk lines	600,000 00
Inland transportation, steamboat routes	700,000 00
Inland transportation, star routes	5,500,000 00
Railway post-office clerks	3,977,120 00
Mail-messengers	850,000 00
Mail locks and keys	20,000 00
Mail-bags and mail-bag catchers	250,000 00
Miscellaneous items in the office of the Second Assistant Postmaster-General	1,000 00

OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL.

Postage stamps	130,000 00
Expenses of agency	8,100 00

Stamped envelopes, newspaper wrappers, and letter sheets.....	\$632,000 00
Expenses of agency.....	16,000 00
Postal cards.....	253,000 00
Expenses of agency.....	7,300 00
Registered-package, post-office, and dead-letter envelopes.....	140,000 00
Ship, steamboat, and way letters.....	1,500 00
Engraving, printing, and binding drafts and warrants.....	2,000 00
Miscellaneous items in the office of the Third Assistant Postmaster-General.....	1,000 00

OFFICE OF THE SUPERINTENDENT OF FOREIGN MAILS.

Transportation of foreign mails.....	350,000 00
Balances due foreign countries, including the United States' portion of the expenses of the International Bureau of the Universal Postal Union and the subscription of the department for the monthly journal (L'Union Postale) of that bureau.....	60,000 00
Total.....	46,741,111 25
Estimated amount which will be provided by the department from its own revenues, based upon an annual increase of 10 per cent. on the revenues for the fiscal year ended June 30, 1882.....	50,670,456 27
Surplus of estimated postal revenue over estimated expenditures.....	3,929,345 02

NOTE.—The postal revenue, estimated at an annual increase of 10 per cent. on the revenue for the last fiscal year, will, for the year ending June 30, 1884, amount to \$50,670,456.27, or \$3,929,345.02 more than the estimated expenditures for the same fiscal year. The increase of receipts for the last over the previous fiscal year was at the rate of 13.8 per cent. At the close of the last fiscal year there remained a handsome surplus of receipts over expenditures, and the receipts are now increasing at a much greater rate than the expenditures. Hence no appropriation will be required from the general Treasury to aid the postal revenue in meeting the estimated expenditures for the coming fiscal year, unless there should be changes in the rates of postage, or in the classification of mail matter, injuriously affecting the revenue. A deficiency appropriation from the Treasury of \$2,152,258 for the year ending June 30, 1882, remains undrawn, and it is not believed that it will be necessary to draw any portion of the \$1,902,177.90 appropriated to supply deficiencies in the postal revenue for the current fiscal year.

T. O. HOWE,
Postmaster-General.

OFFICE OF THE POSTMASTER-GENERAL,
November 1, 1882.

POST-OFFICE DEPARTMENT,
OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL.

Washington, D. C., October 23, 1882.

SIR: I have the honor to submit herewith, for your consideration, a table showing the estimates of appropriations required for the service of the Post-Office Department for the fiscal year ending June 30, 1884, prepared in accordance with your directions. The communications from the several officials from whose estimates the table was compiled, and explanatory thereof, will also be found herewith, marked from A to F.

Very respectfully, your obedient servant,

A. D. HAZEN,

Third Assistant Postmaster-General.

Hon. T. O. HOWE,
Postmaster-General.

A.

POST-OFFICE DEPARTMENT,
OFFICE OF CHIEF CLERK TO THE POSTMASTER-GENERAL,
Washington, D. C., October 18, 1882.

SIR: In compliance with your request of October 2, I have the honor to inform you that the following are the estimates of appropriations necessary for the office of the Postmaster-General for the fiscal year ending June 30, 1884, viz:

Mail depredations and post-office inspectors, including amounts necessary for fees to United States marshals and attorneys.....	\$225,000
Advertising.....	50,000
Miscellaneous items in the office of the Postmaster-General.....	2,000

Letter of the chief post-office inspector on the subject is herewith inclosed.

Very respectfully,

F. H. HOWE,
Chief Clerk.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General.

B.

POST-OFFICE DEPARTMENT,
OFFICE OF CHIEF POST-OFFICE INSPECTOR,
Washington, D. C., October 21, 1882.

SIR: I have the honor to acknowledge the receipt of your communication of the 3d instant, asking that you be furnished with an estimate of appropriation for mail depredations and post-office inspectors for the fiscal year ending June 30, 1884.

The force of inspectors now employed upon the general work of the inspection of post-offices, correction of irregularities, the investigation of all depredations on the mails, assisting the contract office in determining and arranging post-routes, and other miscellaneous duties, as well as those detailed to the money-order, free-delivery, and railway mail service, are rendering most important and valuable aid in their several branches. Their duties are continuous and arduous, and their compensation should be increased.

At present ten inspectors are paid \$2,500 each per annum, the others not exceeding \$1,600. A per diem allowance not exceeding \$5 is made to cover expenses incurred while actually traveling upon official business. This allowance covers sleeping-car fares and all other necessary expenses, except transportation, and is now based upon the ascertained requirements of the different sections where inspectors are located, varying from \$3 minimum to \$5 maximum per day. From this it will be seen that inspectors of the Post-Office Department are not now paid salaries equal to those received by similar officers of the Treasury and other departments. In the Treasury Department special agents, whose duties are analogous to those of the post-office inspectors, receive salaries varying from \$2,190 to \$2,920 per annum. In addition to this compensation the expenses of special agents of the Treasury are paid by the department. The Indian inspectors of the Interior Department are paid \$3,000 each per annum, and their expenses also are paid by the government. Nor is the compensation of post-office inspectors as large as that of postmasters and assistant postmasters at first and second class post-offices, to instruct whom is frequently an inspector's duty.

I therefore beg to recommend that the appropriation for mail depredations and post-office inspectors for the fiscal year ending June 30, 1884, be increased to \$225,000, and that legislation be suggested as follows:

The Postmaster-General may grade inspectors appointed by him in accordance with section 4017 Revised Statutes in the following manner: Not exceeding fifteen in number shall receive \$2,500 each per annum, not exceeding fifteen others may receive \$2,000 each, and the remainder may receive not exceeding \$1,600 each. In addition to this compensation they may be allowed for their expenses while actually traveling upon official business such an amount as may be determined by the Postmaster-General as necessary in each case, not exceeding \$5 per diem, payable only for time spent away from the inspector's residence while traveling upon the business of the department.

I am, sir, very respectfully,

DAVID B. PARKER,
Chief Inspector.

FRANK H. HOWE, Esq.,
Chief Clerk to the Postmaster-General.

C.

POST-OFFICE DEPARTMENT,
OFFICE OF FIRST ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., October 23, 1882.

SIR: Agreeably to your request, I submit herewith estimates of the appropriations necessary for the use of this office for the fiscal year ending June 30, 1884, under the following heads, viz:

For compensation to postmasters.....	\$10,134,091 25
For clerks in post-offices.....	4,850,000 00
For free-delivery service.....	3,600,000 00
For rent, fuel, and light.....	450,000 00
For office furniture.....	30,000 00
For stationery in post-offices.....	65,000 00
For miscellaneous and incidental items.....	90,000 00
For wrapping-paper.....	25,000 00
For wrapping-twine.....	55,000 00
For marking and rating stamps.....	25,000 00
For letter balances and scales.....	25,000 00
Ink for stamping and canceling purposes.....	10,000 00
Pads for stamping and canceling purposes.....	10,000 00

Total estimate : 19,369,091 25
or \$2,227,091.25 more than the appropriation for the current year.

COMPENSATION TO POSTMASTERS.

The following were the estimates, appropriations, and expenditures for this item for the past two fiscal years:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates.....	\$7,550,000 00	\$7,800,000 00	.....
Appropriations.....	7,500,000 00	7,800,000 00	.....
Expenditures.....	8,298,742 79	8,164,676 72	8.02
Deficiency.....	798,742 79	1,164,676 72	45.81

From the above it will be perceived that the expenditures for the fiscal year ended June 30, 1882, exceeded the appropriation for that period in the sum of \$1,164,676.72. In anticipation of a large deficiency, Congress, at its last session, upon the recommendation of the Postmaster-General, appropriated the sum of \$1,192,206.88, or so much thereof as might be necessary, to meet the deficit for this item during the fiscal year. The deficiency reported by the Auditor (\$1,164,676.72) is not so large as the amount appropriated by \$27,530.66; but it is expected that when the delayed returns from postmasters for the year shall have been received, the whole amount appropriated by Congress will be expended. The expenditures for the past fiscal year were also greater than those of the previous year in the sum of \$665,933.93, or 8.02 per cent.

The expenditures for the past year also exceed the appropriation (\$8,800,000) for the current fiscal year by \$164,676.72.

From the foregoing it will appear that a very much larger appropriation for compensation to postmasters should be made for the next fiscal year.

It has been ascertained that the compensation of postmasters bears a direct relation to the gross receipts of the department. The present law

regulating the compensation of postmasters of the fourth class went into operation the 21st July, 1878.

During the first fiscal year of the change, ended June 30, 1879, it required 23.9 per cent. of the gross receipts to pay the compensation of postmasters.

During the fiscal year ended June 30, 1880, 23.1 per cent. was required; for the year ended June 30, 1881, 22.5 per cent. was required; and for the year ended June 30, 1882, 21.4 per cent. was necessary.

It will thus be seen that the decrease in percentage of compensation to postmasters to the gross receipts has been a steady one; and this is only natural, since the great bulk of the receipts is collected at the larger offices, where the salaries are fixed by law. The receipts for the fiscal year ending June 30, 1884, based on an increase of 10 per cent. upon the last fiscal year, have been estimated at \$50,670,456.27. It is believed that not more than 20 per cent. of this amount will be required to pay postmasters for the next fiscal year. Upon this basis it is estimated that \$10,134,091.25 will be necessary for the compensation of postmasters for the year ending June 30, 1884. This amount will be \$1,334,091.25 greater than the amount (\$8,800,000) appropriated for the present fiscal year, or an increase of 15.16 per cent.

An essential element in the above estimate is the increase under the biennial readjustment of July 1st last in the salaries of postmasters at first, second, and third class offices, amounting to \$563,400 more than was paid last year.

CLERKS IN POST-OFFICES.

The estimates, appropriations, and expenditures for this purpose for the past two fiscal years were as follows:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$3,650,000 00	\$3,850,000 00	.....
Appropriations	3,680,000 00	{ 3,850,000 00	{ 7.33
Expenditures	3,676,756 22	{ 3,908,396 60	{ 6.30

The appropriation of \$3,850,000 for the fiscal year ended June 30, 1882, was found, after six months of the year had expired, to be inadequate for the necessities of the service, and upon the recommendation of the Postmaster-General an additional \$100,000 for the year was appropriated by Congress on the 6th of March last for this item, making the whole amount \$3,950,000. This appropriation was \$270,000, or 7.33 per cent. greater than for the previous year. The appropriation for the present fiscal year is \$4,385,000.

The expenditures for the last fiscal year amounted to \$3,908,396.60, or \$41,603.40 less than the appropriation. In no other fiscal year have the requests for additional allowances for clerical service and separating mails in post-offices been so numerous or so urgent as the past. These requests have been made by postmasters in all sections of the country, but they have been especially necessary in the rapidly growing portions of the West and Southwest. Postmasters at many of the principal cities in the older States have also applied for additional allowances for clerk-hire, in consequence of the great increase of the business of their offices from registered matter, merchandise passing through the mails,

and from other causes. After the passage of the act granting \$100,000 additional for this purpose for the past fiscal year, I found myself somewhat embarrassed, owing to many deserving applications, in making a proper disposition of it.

The commission referred to in my report to the Postmaster-General was determined upon as a measure of relief, as well as with a view to the better organization of the service in several of the large cities. The adoption of their recommendations resulted in a considerable saving of funds, and furnished a better basis for making future allowances at the offices visited. This did not afford sufficient relief, however, nor have I yet been able, with the appropriation at my command, to grant all the requests from the South and West, which are equally urgent, though the revenue derived from these offices is not so large as from many in the North and East; nor is it in numerous instances at all in proportion to the great amount of labor required.

I have therefore estimated the amount necessary to be appropriated for clerks in post-offices for the fiscal year ending June 30, 1884, at \$4,850,000, which is \$465,000, or 10.6 per cent., greater than the appropriation for the current year. I consider this amount absolutely requisite to meet the rapidly increasing and important requests of this character which are constantly being received, and are made necessary by the remarkable expansion of postal business in all sections of the country.

FREE-DELIVERY SERVICE.

The following were the estimates, appropriations, and expenditures for this service, and the incidental expenses thereof, during the two past fiscal years:

	1880-'81.	1881-'82.	Increase.
			Per cent.
Estimates	\$2,500,000 00	\$2,700,000 00	.....
Appropriations	2,500,000 00	{ 2,600,000 00 25,000 00	{ 5
Expenditures	2,499,911 54	2,623,262 74	4.93

This system was in operation on the 30th of June last in 112 of the principal cities of the country, and employed 3,115 carriers. It has been extended to 25 other cities since that date.

The regular appropriation of \$2,600,000 for the past fiscal year was increased in the sum of \$25,000, to meet an anticipated deficiency, making \$2,625,000 for the period, and an increase of \$125,000, or 5 per cent., over that of the previous year. The expenditures were \$2,623,262.74 for the fiscal year, or \$1,737.26 less than the appropriation. The cost of the service was increased \$123,351.20 over that of the preceding year, principally owing to the appointment of additional carriers in cities where the service was already in operation. The service was extended to only three cities during the year.

The postage on local matter for the year was \$3,816,576.09, an increase of \$542,945.70 for the year. The average cost per piece for handling matter was 2.3 mills, a decrease of 0.1 mill as compared with the last year. The average cost per carrier was \$835.75, a decrease of \$37.79.

The appropriation for the present fiscal year is \$3,200,000, of which amount, \$200,000 was appropriated by the terms of the act of August

2, 1882, which law requires the promotion of carriers to the next higher grade after one year's service.

For the fiscal year ending June 30, 1884, it is estimated that an appropriation of \$3,600,000 will be required in order that free delivery may be extended to other cities possessing the necessary qualifications, either of population (20,000) or of gross revenue (\$20,000) from the post-office; that provision may be made for the development of the service where it already exists, and that the pay of certain carriers may be increased under the provisions of the law above mentioned.

The increase of estimate is \$400,000, or 12 per cent. more than the amount appropriated for the current year.

A detailed explanation of the expenses of this service, as well as of its popularity and usefulness, will be found in my annual report to the Postmaster General.

RENT, LIGHT, AND FUEL.

The estimates, appropriations, and expenditures for this item for the two last fiscal years were as follows:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$450,000 00	\$500,000 00	.....
Appropriations	425,000 00	425,000 00	.....
Expenditures	382,714 86	401,978 04	5.03

The estimate for these items for the fiscal year ending June 30, 1884, is \$450,000, the same as the appropriation for the current year, and it exceeds the expenditures for the past year in the sum of \$48,021.96, or 11.94 per cent. By law allowances of this character are made only at offices of the first and second classes, or where the salaries of the postmasters are \$2,000 and upwards per annum, and they are usually based upon the amounts received at the different offices from box-rents and the commissions upon the sales of stamps. The increase in these allowances during the past fiscal year over that of the preceding one was \$19,263.18, or 5.03 per cent. Of the whole amount expended, about \$305,000 was for rent of buildings for post-offices.

It has been my endeavor during the time I have been in the department to secure for use, when permitted to do so by the postal laws, a better class of buildings in the different cities for post-offices than have heretofore been occupied, and my efforts have been attended with considerable success in many places. Still further improvements can be made and advantages secured in this particular, as the inhabitants of the larger cities (where government buildings do not exist) have become aware of the importance of a well-built and well-finished structure for postal business. With this object in view I consider that an appropriation of \$450,000 would not be excessive for these items.

I am also of the opinion that some provision should be made by Congress by which postmasters of the third class, whose salaries are \$1,000 and less than \$2,000 per annum, should, to a certain extent, be relieved from the payment of the rent of their offices out of their salaries. Considering that the revenues of the department for the past fiscal year exceeded the expenditures, it seems to me that liberality could be observed in this direction.

OFFICE FURNITURE.

The estimates, appropriations, and expenditures for this purpose for the past two years were as follows:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$20,000 00	\$25,000 00	
Appropriations	20,000 00	20,000 00	
Expenditures	19,296 87	20,716 64	7.35

The appropriation for this item for the present fiscal year is \$20,000, or the same as for the previous year, and, in my judgment, is entirely too small for the purpose. The postal affairs of the country cannot be properly and expeditiously conducted unless the offices are furnished with suitable facilities in the way of furniture, such as tables for assorting the mails, desks for writing, racks for hanging the mail-bags, and many other articles which are absolutely necessary for the proper transaction of business. I regret to say that within my own knowledge there are many post-offices so ill-provided in these respects that it is a source of unfavorable comment by their patrons upon the departmental management. Many postmasters have been compelled to provide articles of furniture at their own expense, and assume the risk of disposing of them to their successors. Especially is this the case in the matter of safes, which are indispensable in all of the larger offices. During the past year the applications of postmasters to have offices supplied with them have been more numerous than ever before. Considering that it was, to a certain extent, both economical and proper to provide safes for many of the important offices where much registered matter is sent for distribution to other points, I have made quite a number of allowances for that purpose during the year, and the bills for such items having been presented earlier than was anticipated, a deficiency of \$716.64 has thereby been created. I have estimated the amount requisite for this item for the fiscal year ending June 30, 1884, at \$30,000, an increase of 50 per cent. over the appropriation for the present year, and firmly believe the public interests require it.

STATIONERY IN POST-OFFICES.

The following were the estimates, appropriations, and expenditures for this item for the past two fiscal years:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$50,000 00	\$50,000 00	
Appropriations	50,000 00	50,000 00	
Expenditures	49,208 45	50,517 28	14

The appropriation for stationery for the current fiscal year is \$55,000, which is \$5,000, or 10 per cent., more than was granted for either of the two previous years, while the expenditures for the year 1881-'82 exceeded the appropriation for this item, for the same period, in the sum of \$6,517.28, thereby causing a deficiency for the year of that amount.

The expenditures for the past year were greater than those of the previous year by \$7,278.83, or 14 per cent.

I much regret that a deficiency should have occurred for stationery during the past year. The causes were that no increase was made in the appropriation for this item for the year, although an estimate for \$10,000 additional was made; that the requests for the articles used under this item are becoming more numerous and urgent each year, and in the same degree in which the postal business is augmented; and further, that by the regulations of the department, postmasters at first and second class offices (the only ones who are entitled to allowances for these items) are permitted to purchase the necessary stationery without making application to the department for the same. The stationery used by many post-office inspectors and railway mail service superintendents has also been paid for out of this item.

It is the first time that a deficiency in this appropriation has occurred in several years, and it could have been avoided if the returns of the postmasters to the Auditor were readily accessible at the end of each quarter. The estimate for this item for the next fiscal year has been placed at \$65,000, an increase of \$10,000, or 18 per cent., over that of the current year, and I know of no good reason why that appropriation should not be made.

MISCELLANEOUS AND INCIDENTAL ITEMS.

The following were the estimates, appropriations, and expenditures for these items during the two past fiscal years:

	1880-'81.	1881-'82.	Increase.	Decrease.
			<i>Per cent.</i>	<i>Per cent.</i>
Estimates.....	\$90,000 00	\$100,000 00	.....	.....
Appropriations.....	85,000 00	90,000 00	5.88	.....
Expenditures.....	80,989 15	68,594 76	.....	15.30

The appropriation for the present fiscal year is \$90,000, or the same as for the last year, and is but \$5,000, or 5.88 per cent., greater than that for the year ended June 30, 1881. It will be perceived that the expenditures for the past fiscal year were \$12,394.39, or 15.30 per cent., less than for the year previous. This was mainly due to the fact that the expenses for the miscellaneous and incidental items of the railway mail service, heretofore charged to this office, were, during the last half of that fiscal year, transferred to the accounts of the Second Assistant Postmaster-General's office, in the absence of any specific appropriation therefor. Nevertheless I do not anticipate that the expenditures for these items will again be as low as they were during the past year.

The same necessity exists as heretofore for the rental of telephones, for telegraphic communications, and the many other expenses incidental to the proper dispatch of business in post-offices, and must necessarily increase in proportion as the country expands and the postal business increases. Post-offices cannot be successfully conducted without the numerous little appliances to facilitate business which are ordinarily seen in other large public and private establishments; and I have therefore estimated the amount necessary for these items for the next fiscal year at \$90,000, or the same as appropriated for the present year.

BLANK AGENCY.

Some time prior to my report of last year this division of the department was detached from this bureau and assigned by the Postmaster-General to his office; hence no estimates were then prepared by me for its appropriations.

The division having been since restored to the office of the First Assistant Postmaster-General, the estimates for its service are again submitted by that officer.

WRAPPING-PAPER.

The estimates, appropriations, and expenditures for this article for the two past fiscal years were as follows:

	1880-'81.	1881-'82.	Increase. Decrease.	
			<i>Per cent.</i>	<i>Per cent.</i>
Estimates.....	\$20,000 00	\$22,000 00	10	
Appropriations.....	20,000 00	22,000 00	10	
Expenditures.....	21,000 00	19,000 00		10 70

The appropriation for this item for the current fiscal year is \$22,000, or 10 per cent. over the expenditures of the last year.

In anticipation of a deficiency for this article during the past year, an additional appropriation of \$5,900 was asked for. It was not given, however, until very late in the session (August 5, 1882), and consequently was not available during the fiscal year. It will be observed that the expenditures for the fiscal year 1880-'81 were \$4,906.51 greater than for the last year, which was owing to the greater demand by postmasters for wrapping-paper, and a higher contract price for the article.

To meet the possible increase in the price of wrapping-paper, and to provide for the additional demand, especially for properly preparing packages of registered matter and merchandise for mailing, I have estimated the appropriation requisite for the fiscal year ending June 30, 1884, at \$25,000, or the same as the total amount granted last year, and an increase of 13.63 per cent. over the present appropriation.

WRAPPING-TWINE.

The following were the estimates, appropriations, and expenditures for this item during the two past fiscal years:

	1880-'81.	1881-'82.	Decrease.	
			<i>Per cent.</i>	
Estimates.....	\$55,000 00	\$55,000 00		
Appropriations.....	55,000 00	55,000 00		
Expenditures.....	53,600 00	52,764 64		37. 64

The appropriation for the present fiscal year is \$55,000, or the same as for the preceding year. It is also an increase of 4.25 per cent. over the expenditures for this article for the last fiscal year. It will be noticed that the expenditures for the year ended June 30, 1881, were \$31,848.74, or 60.37 per cent. in excess of those for the past year. This was mainly due to the high contract price of the article as compared with previous years. Hence it will be seen that an estimate cannot easily be made for a commodity which is so liable to fluctuate in value, but I submit the same estimate for the year ending June 30, 1884, as for the last year,

\$55,000, in the hope that it will be sufficient to cover all contingencies. This amount is the same as the appropriation for the present year.

MARKING AND RATING STAMPS.

The estimates, appropriations, and expenditures for these articles for the past two fiscal years were as follows:

	1880-'81.	1881-'82.	Increase.
Estimates	\$15,000 00	\$15,000 00	.....
Appropriations	13,500 00	15,000 00	\$1,500 00
Expenditures	13,499 50	14,144 30	644 80

The appropriation for these items for the current fiscal year is the same as for the last one, \$15,000, and exceeds the expenditures for the past year in the sum of only \$855.70.

The expenditures for the fiscal year just closed were but \$644.80 greater than those for the year previous. It will therefore be perceived that the recent appropriations for the above articles have not been at all extravagant.

I have estimated the appropriation necessary for these items for the fiscal year ending June 30, 1884, at \$25,000, an increase of \$10,000, or 66 $\frac{2}{3}$ per cent., over that for the present year; and have done so for the following reasons:

By the postal regulations it is necessary that the gross receipts of a post-office should be \$50 per annum to entitle it to receive a letter balance and a marking and rating stamp at the expense of the department. This regulation has been productive of much inconvenience both to the postmaster and the public, and has undoubtedly been the cause of considerable loss of revenue to the department, from the failure of the postmaster to properly weigh, rate up, and cancel the postage-stamps upon the mailable matter deposited in his office. The number of post-offices so deprived of these facilities for postal business is estimated at 10,000, and at these offices such stamps as are used have been paid for by the postmaster.

The Postmaster-General having called the attention of Congress to this matter, an appropriation of \$35,000 was made at the last session for the purpose of partially remedying it, and already under the law about 800 fourth-class offices have been supplied "with the necessary implements for canceling stamps and weighing and postmarking mail matter," the limit being the value of \$5 to each office. Itemized, this expense is about as follows:

Scales	\$2 80
Stamp	79
Pad	60
Ink	40
Total	4 59

The above appropriation for this purpose will therefore supply about 7,000 post-offices, and it is with a view of furnishing the remaining 3,000 with these implements, and also supplying all new offices with these materials, that the increase of \$10,000 is in part asked for. Postmasters at many of the larger offices also frequently request to be furnished with new marking and rating stamps, in consequence of the old ones having become damaged or inaccurate. Ordinarily these stamps have to be renewed in all offices after from two to four years' use.

The following were the estimates, appropriations, and expenditures for these items for the two past fiscal years:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$10,000 00	\$10,000 00	
Appropriations.....	8,000 00	10,000 00	25.00
Expenditures.....	7,997 80	10,000 00	25.00

The appropriation for these articles for the current fiscal year is \$15,000, or 50 per cent. more than for the previous one, and it is likewise 50 per cent. more than the expenditures for the past year, which exceeded those of the fiscal year 1880-'81 in the sum of \$2,002.20, or 25.03 per cent.

In my remarks above in connection with a largely increased estimate for the articles of marking and rating stamps, I have substantially assigned reasons why a much larger appropriation should also be made for letter-balances, scales, and test-weights. I therefore consider further explanation unnecessary for submitting an estimate of \$25,000 for these items. This is an increase of \$10,000, or 66 $\frac{2}{3}$ per cent., over the present appropriation, and, in my opinion, is fully justified by the benefit expected to be conferred upon the department if it shall be given.

INK FOR STAMPING AND CANCELING PURPOSES.

This item has not been before included in the regular estimates.

In pursuance of the policy adopted at the last session of Congress with reference to fourth-class offices, alluded to above in my estimate for marking and rating stamps, I am of the opinion that it should hereafter be annually mentioned as necessary. In order, therefore, that post-offices now denied this article at departmental expense may be supplied therewith, I have to suggest that \$10,000 be asked for this item for the next fiscal year.

In this connection I desire to say, that of the many articles used by postmasters in the transaction of their business, none is of comparatively more value in its relations to the revenue of the department than ink for stamping and canceling purposes. Unless it is of superior quality, and uniformly used, many irregularities must occur in postal matters, and the proceeds of the sales of many stamps must be neutralized by their imperfect cancellation. I am aware that the matter of procuring an ink suitable in color, and at the same time indelible, and furnishing it without expense to all postmasters for use in their postal business, has been many times under consideration by the department. Postmasters at first and second class offices have found it absolutely necessary to use the best quality of ink they could procure, and their returns for the expense of the same have been made and allowed in their quarterly accounts. Postmasters at many other offices have been in the habit of furnishing, at their own expense, stamping ink of various colors and grades, which in many instances have not proved at all suitable for the purpose. Under these circumstances I consider that if Congress would give its attention to this matter, and authorize the Postmaster-General to expend a suitable amount of money for the purchase of a proper ink for canceling purposes, to be used in all post-offices, such

action would be of inestimable benefit to the department. I hope that you will take occasion to recommend that this be done.

PADS FOR STAMPING AND CANCELING PURPOSES.

This item has not before been estimated for in the usual manner. The provision made for their purchase at fourth-class offices, referred to under the head of marking and rating stamps, necessitates an estimate for them for the next fiscal year. I suggest that \$10,000 be appropriated for these articles, as they are a necessary accompaniment wherever stamping ink is used for canceling purposes.

DEPARTMENTAL PRINTING, BINDING, ETC.

The estimate for this item for the next fiscal year has been prepared in this office, and forwarded by the Postmaster-General to the Secretary of the Treasury, in accordance with the previous practice.

DEPARTMENTAL STATIONERY.

The estimate for this item has been prepared, and will be addressed, according to custom, to the Postmaster-General, who will include it in the statement to be submitted by him relative to estimates for other departmental expenses for the next fiscal year.

The aggregate of the above estimate is, as before stated, \$19,369,091.25, which is \$2,227,091.25, or 12.99 per cent., more than the appropriations for the current fiscal year.

A tabular statement, marked E, will be found appended to these estimates, giving further information in regard to them.

SUMMARY.

Estimate for 1881-'82, \$15,135,000.

Estimate for 1882-'83, \$16,777,000; increase, \$1,642,000, or 10.80 per cent.

Estimate for 1883-'84, \$19,369,091.25; increase, \$2,592,091.25, or 15.45 per cent.

Appropriation for 1881-'82, \$16,257,206.88.

Appropriations for 1882-'83, \$17,142,000; increase, \$884,793.12, or 5.44 per cent.

Expenditures for 1880-'81, \$15,138,650.66.

Expenditures for 1881-'82, \$16,141,035.31; increase, \$1,002,384.65, or 6.62 per cent.

In closing the above statement, it is proper to say that unless the original appropriations for the past fiscal year had been, in some instances, considerably increased by subsequent legislation during the last session of Congress, the postal business, so far as the allowances of this bureau for the service are concerned, could not have been conducted so satisfactorily as it has been. I hope that an equally liberal spirit will be manifested by Congress in the consideration of the present estimates, and that there will be no hesitation among the members of that body in doing all that seems reasonable and proper to aid in promoting the efficiency of the postal service by granting the enlarged appropriation asked for.

Very respectfully,

FRANK HATTON,

First Assistant Postmaster-General.

Hon. T. O. HOWE,
Postmaster-General.

Recapitulation of estimates for the fiscal year ending June 30, 1884, for the office of the First Assistant Postmaster-General.

Items.	Expenditures for 1880-81.	Appropriations for 1881-82.	Expenditures for 1881-82.	Increase of ex- penditures in 1881-82 over 1880-81.	Estimates for 1882-83.	Appropriations for 1882-83.	Estimates for 1883-84.	Increase of es- timates for 1883-84 over appropriations for 1882- 83.
For compensation to postmasters.	\$8,298,742 79	\$7,800,000 00	\$8,964,676 72	\$665,933 93	\$8,800,000 00	\$8,800,000 00	\$10,124,091 25	\$1,324,091 25
Same per act of August 5, 1882, deficiency.		1,142,200 88						
For clerks in post offices.	3,676,756 22	3,836,000 00	3,908,396 00	231,640 38	4,235,000 00	4,385,000 00	4,860,000 00	465,000 00
Same per act of March 6, 1882, additional.		100,000 00						
For letter-carriers.	2,445,911 54	2,600,000 00	2,623,262 74	123,351 20	3,060,000 00	3,060,000 00	3,600,000 00	400,000 00
Same per acts of March 6, 1882, and August 5, 1882.		25,000 00						
For post, fuel, and light.	382,714 86	425,000 00	401,978 04	19,263 18	450,000 00	450,000 00	450,000 00	
For office furniture.	19,260 87	20,000 00	20,716 64	1,419 77	25,000 00	20,000 00	20,000 00	10,000 00
For stationery.	49,238 45	50,000 00	156,517 28	7,278 83	60,000 00	55,000 00	65,000 00	10,000 00
For miscellaneous and incidental items.	89,989 15	90,000 00	68,594 76	112,394 39	100,000 00	90,000 00	90,000 00	
For wrapping paper.	24,900 10	20,000 00	19,993 59	14,906 51	25,000 00	25,000 00	25,000 00	3,000 00
Same per act of August 5, 1882, deficiency.		5,000 00						
For carrying bags.	54,663 28	55,000 00	52,754 64	11,648 74	55,000 00	55,000 00	55,000 00	
For marking and tying stamps.	13,459 30	15,000 00	14,144 30	15,644 80	15,000 00	15,000 00	25,000 00	10,000 00
For other balances and unpaid.	7,967 80	10,000 00	10,000 00	2,032 20	15,000 00	15,000 00	25,000 00	10,000 00
For ink, stamping and carrying purposes.								
For ink, stamping and carrying purposes.								
For ink, stamping and carrying purposes.								
Totals.	15,124,650 66	16,237,200 88	16,141,035 31	1,062,384 65	16,777,000 00	17,142,000 00	19,369,091 25	2,227,091 25

* Deficiency created, \$716.24.

† Deficiency created, \$0,517.78.

‡ Decrease.

D.

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., October 18, 1882.

SIR: I beg leave to submit estimates of amounts required for the transportation of mails and items incident thereto for the fiscal year ending June 30, 1884, in answer to your note of the 2d instant.

STAR SERVICE.

The cost of star service for the year ending 30th June, 1882, was \$5,553,849, which is \$1,403,506 less than the cost on the 30th June, 1881, being a reduction of more than 20 per cent.

The reletting of the service in the Pacific section for the contract term commencing July 1, 1882, has resulted in a very large reduction in the cost of this service compared with the cost on June 30, 1882, sufficient, in the opinion of this office, to cover the cost of a liberal service on star routes for the present year and also for the ensuing year. The estimate for this item for 1884 is set down at \$5,500,000.

STEAMBOAT SERVICE.

The cost of the steamboat service on the 30th June, 1882, was \$574,019, a decrease compared with the cost for the previous year of \$179,148. The requirements of the public may involve additional steamboat service, and it is deemed expedient to estimate the cost for 1884 at \$700,000.

MAIL-MESSENGER SERVICE.

The cost of mail-messenger service for the year ending June 30, 1882, was \$724,207, or equivalent to \$7.20 for every mile of railroad service. Upon the same basis the cost for 1884 will be \$850,000, and the estimate is placed at this sum.

RAILROAD SERVICE.

The cost of railroad transportation on the 30th of June, 1882, (audited statement), was \$10,248,515, and new service remaining unpaid at the same date amounted to 3,464 miles, which will probably involve an additional expenditure of \$125,000, making the total cost about \$10,373,515, which is \$830,360 more than the cost to June 30, 1881. The increase in the mileage and rates of pay for the current fiscal year is not estimated for at as great a rate of increase as is shown between 1882 and 1881, for reasons that were explained in the last annual report, hence the appropriation for the present year is fixed at \$11,130,000. The reasons which formed the basis of that appropriation will not apply for the ensuing year, consequently the estimated rate of increase is somewhat greater. The appropriation for 1883, \$11,130,000, is accepted as the sum nearest to that which will be needed for 1884, and \$870,000 added for increase of rates on old routes, and for new service, making a total of \$12,000,000, which is 7.81 per cent. over the appropriation for 1883, and a little more than 14 per cent. over the cost and estimate for new service for 1882.

RAILWAY POST-OFFICE CARS.

The increased cost of the railway post-office service for 1882 over 1881 was \$100,000. The appropriation for the present year is \$1,526,000. It is estimated that \$100,000 in addition to that service, or \$1,626,000, will be sufficient for this item for 1884.

SPECIAL FACILITIES.

The appropriation for "special facilities" on the great lines for the current year is \$600,000. It is not clear that the discontinuance of the service secured by this expenditure would not result in injury to the public, and for this reason I suggest that a like sum, \$600,000, be appropriated for this item for 1884.

MAIL EQUIPMENT.

The expenditures for mail-bags, mail-catchers, and mail locks and keys, and the necessary repair of the same, absorbed the entire appropriation for these items, \$200,000 and \$25,000, for the year ending June 30, 1882. The rapid extension of the railroad system, the increased frequency of mails on railroad routes, and the large number of post-offices established on such lines render an increase in appropriation necessary for 1884. The estimate is therefore placed for mail-bags and mail-catchers at \$220,000; mail locks and keys, \$20,000.

RAILWAY POSTAL CLERKS.

The amount provided for railway postal clerks for the current year, by act July 31, 1882, is \$371,000. The rate of increase for the past six years has been 7.20 per cent. Estimating the cost upon the same basis, the amount required for 1884 will be \$3,977,120.

RECAPITULATION.

For star service.....	\$5,500,000
For steamboat service.....	700,000
For railroad service.....	12,000,000
For railway post-offices.....	1,626,000
For special facilities.....	600,000
For mail-messenger service.....	50,000
For mail-bags and mail-catchers.....	220,000
For mail locks and keys.....	20,000
For railway postal clerks.....	3,977,120
For miscellaneous items.....	1,000

Véry respectfully,

RICH'D A. ELMER,
Second Assistant Postmaster-General.

Hon. A. D. HAZEN,
Third Assistant Postmaster-General.

E.

EXPLANATION OF ESTIMATES OF APPROPRIATIONS FOR THE OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL FOR THE FISCAL YEAR ENDING JUNE 30, 1884.

I.—ADHESIVE POSTAGE STAMPS.

For manufacture of ordinary postage stamps, of official stamps, of newspaper and periodical stamps, and of postage-due stamps.....	\$130,000 00
The number of these stamps issued during the fiscal year ended June 30, 1882, was	1,130,470,088
Add 12 per cent. for increase.....	135,656,410
Gives estimated issue for fiscal year ending June 30, 1883.....	1,266,126,498
Add 12 per cent. for increase, as before.....	151,935,179
Gives estimated number required for fiscal year ending June 30, 1884..	1,418,061,677
Cost of manufacturing that number at present contract price, 9.19 cents per thousand.....	\$130,319 86

The increase in the number of adhesive stamps of all kinds issued during the fiscal year ended on the 30th June last was a little over 17 per cent., but this rate of increase was an abnormal one, due in part to an unusual prosperity in the business interests of the country, and in part to a special cause which was explained in the report of last year (pp. 354 and 361, Report of Postmaster-General for 1881). Under ordinary conditions it would hardly be reasonable to expect an annual increase of more than 12 per cent., and accordingly the issues of the last year have been augmented at that rate to arrive at the probable number required for the ensuing fiscal year. The present contract does not expire until the 30th June, 1885, and this estimate has consequently been governed by existing prices. The estimate has, however, been placed in even figures at \$130,000. The appropriation for the current year is \$109,000; but from present indications this amount will hardly be sufficient to meet the demands of the year.

II.—POSTAGE-STAMP AGENCY.

For pay of agent and assistants to distribute stamps, and for expenses of the agency.....	\$8,100 00
---	------------

This estimate agrees in amount with the appropriation for the present year.

III.—STAMPED ENVELOPES, NEWSPAPER WRAPPERS, AND LETTER SHEETS.

For manufacture of stamped envelopes, newspaper wrappers, and letter sheets	\$632,000 00
The cost of the stamped envelopes and wrappers issued during the fiscal year ended June 30, 1882, at the prices in the contract which took effect October 1, 1882, would amount to	477,960 08
Add 15 per cent. for increase.....	71,694 01
Gives estimated cost at same prices for fiscal year ending June 30, 1883..	549,654 09
Add 15 per cent. for increase, as before.....	82,448 11
Gives estimated cost for fiscal year ending June 30, 1884	632,102 20
The appropriation for the current year is.....	547,000 00

The actual cost of stamped envelopes and wrappers issued during the last fiscal year was \$510,399.45; but a new contract was entered into for

four years from the 1st of October, 1882, at an average reduction of nearly 7 per cent. in previous prices, and the calculations in this estimate have accordingly been made upon the basis of the new prices. The increase in the number of envelopes and wrappers issued during the last fiscal year over that of the previous year was nearly 13 per cent.; but as the reduced prices are likely to largely augment the demand, allowance has been made for an annual increase of 15 per cent. in the issues. By law the cost of procuring stamped envelopes is added to the postage value in fixing the schedule of prices to the public, and the expenditure under this head is consequently refunded to the government when the envelopes are sold. Authority was granted by the sundry civil appropriation act passed at the late session of Congress to use the appropriation for stamped envelopes for the current year for the purchase of stamped letter sheets (combined letter sheet and envelope) not previously furnished. No arrangements have as yet been made for procuring these articles, but they may be introduced before the close of the year, and in view of that event it is deemed advisable to include them in the estimate for stamped envelopes for the coming year.

IV.—STAMPED-ENVELOPE AGENCY.

For pay of agent and assistants to distribute stamped envelopes and newspaper wrappers, and for expenses of agency \$16,000 00

This estimate agrees in amount with the appropriation for the present fiscal year.

V.—POSTAL CARDS.

For manufacture of postal cards \$253,000 00

The total number of postal cards issued during the fiscal year ended June 30, 1882, was, 351,498,000
Add 15 per cent. for increase 52,724,700

Gives estimated number for year ending June 30, 1883 404,222,700
Add 15 per cent. for increase 60,633,405

Gives estimated number for year ending June 30, 1884 464,856,105

The cost of manufacturing these articles at the present contract price of 54.43 cents per thousand, is \$253,021 17
The appropriation for the present fiscal year is 249,000 00

The issue of postal cards has fluctuated widely during the past few years. For 1879 the ratio of increase was 10.55 per cent.; for 1880, 22.80 per cent.; for 1881, 13.20 per cent.; and for 1882, 13.90 per cent. It will probably be sufficient to allow for an annual increase of 15 per cent., as has been done in the foregoing estimate. The present contract is for four years, ending on the 30th June, 1885.

VI.—POSTAL-CARD AGENCY.

For pay of agent and assistants to distribute postal cards, and for expenses of the agency \$7,300 00

This estimate agrees with the present appropriation.

VII.—REGISTERED-PACKAGE, POST-OFFICE, AND DEAD-LETTER ENVELOPES.

For registered-packages, post-office, and dead letter envelopes \$140,000 00

The registered-package envelopes are large manila envelopes used for inclosing registered letters and other registered matter for safer transmission; the post-office envelopes are for the use of postmasters in

their official correspondence, and the dead-letter envelopes are used for returning letters from the dead-letter office to the writers. The contract for these envelopes is awarded for one year only, beginning on the 1st of July of each year, and present prices therefore afford no absolute criterion in making estimates for future appropriations. The prices for the year ended on the 30th of June last were unusually low, so that the issues cost only \$72,474.53. At the prices in the contract for the present year the same issues would have cost \$98,173.83. The total number of these various kinds of envelopes issued during the fiscal year ended on the 30th of June last was 35,581,550, an increase of 6,783,100, or 23.5 per cent., over the issues of the previous year.

At the same rate of increase for the present and next fiscal years the issues for the year ending June 30, 1884, would number 54,269,869, and would cost, on the basis of existing contract prices, \$149,737.17. Allowing for an increase of 20 per cent. in the issues, the cost at present prices would amount to \$141,370.31. The major portion of the appropriation is expended for envelopes for registry business, and for several years past this service has been increasing very nearly at the rate of 20 per cent. per annum. It is proper to say that the contract for these envelopes, like that for stamped envelopes, has been awarded to the lowest bidder, after public advertisement, and upon samples furnished by the department. The estimate is placed in even figures at \$140,000. The appropriation for the current year is \$110,000.

VIII.—SHIP, STEAMBOAT, AND WAY LETTERS.

For ship, steamboat, and way letters.....\$1,500 00

By law (sections 3913, 3976, 3977, 3978, Revised Statutes) this appropriation is necessary for the payment to masters or owners of vessels not regularly engaged in transporting the mails, for letters brought and delivered to post-offices on arrival in port for transmission to destination. The parties receiving the letters are required to pay, in addition to the regular postage, the amounts paid to said masters or owners, which amounts are consequently refunded to the department. The expenditure for the last fiscal year was \$1,444.38, for 1881 it was \$990.95, and for 1880 it was \$1,355.51. The appropriation for the current year is \$1,500, and the estimate for the next fiscal year is placed at the same figures.

IX.—ENGRAVING, PRINTING, AND BINDING DRAFTS AND WARRANTS.

For engraving, printing, and binding drafts and warrants..... \$2,000 00

This appropriation is for the purchase of warrants and drafts used for payments to creditors, transfers of funds to and from postmasters, and collections of balances due the department. The warrants and drafts are prepared and furnished by the Bureau of Engraving and Printing of the Treasury Department. The expenditure on this account during the last fiscal year was \$1,644.35; and in view of the manifestly increasing needs the estimate for the ensuing year is placed at \$2,000.

X.—MISCELLANEOUS.

For miscellaneous items \$1,000 00

This estimate is for the same amount as the appropriation for the current fiscal year.

Comparison of appropriations for the office of the Third Assistant Postmaster-General for the year ending June 30, 1883, with estimates for the year ending June 30, 1884.

Items.	Amount appropriated year ending June 30, 1883.	Estimate for year ending June 30, 1884.	Increase of estimates.	
			Amount.	Per cent.
Adhesive postage-stamps	\$109,000	\$130,000	\$21,000	19.2+
Postage-stamp agency	8,100	8,100		
Stamped envelopes and wrappers	547,000	632,000	85,000	15.5+
Stamped envelope agency	16,000	16,000		
Postal cards	242,000	255,000	11,000	4.5+
Postal-card agency	7,300	7,300		
Registered package, post-office, and dead-letter envelopes	110,000	140,000	30,000	27.2
Ship, steamboat, and way letters	1,500	1,500		
Engraving, printing, and binding drafts and warrants	1,500	2,000	500	33.3+
Miscellaneous	1,000	1,000		
Total	1,043,400	1,190,900	147,500	14.1

Respectfully submitted to the Postmaster-General.

A. D. HAZEN,

Third Assistant Postmaster-General.

OFFICE OF THIRD ASSISTANT POSTMASTER-GENERAL.

October 23, 1882.

F.

POST-OFFICE DEPARTMENT,

OFFICE OF FOREIGN MAILS.

Washington, D. C., October 13, 1882.

SIR: Referring to your letter of the 2d instant, I have the honor to inform you that the amounts estimated as required to be appropriated for the foreign mail service for the fiscal year ending June 30, 1884, are as follows:

For transportation of mails	\$350,000 00
For balance due foreign countries, including the United States' portion of the expenses of the International Bureau of the Universal Postal Union, and the subscription of the department for the monthly journal (<i>L'Union Postale</i>) of that bureau	60,000 00
Total	410,000 00

I am, very respectfully, your obedient servant.

JOSEPH H. BLACKFAN,

Superintendent of Foreign Mails.

Hon. A. D. HAZEN,

Third Assistant Postmaster-General.

REPORT OF THE FIRST ASSISTANT POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
OFFICE OF FIRST ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., October 30, 1882.

SIR: The past fiscal year was notable for the transaction of a larger amount of business in every division of this bureau than in any preceding year. The number of offices established, the number of cases acted upon, and the number of letters and petitions received, indorsed, answered, and filed were considerably in excess of those of any previous year, and give indication not only of the remarkable development of the country, but of the eagerness with which postal facilities are sought for as the population increases and expands. The disposition of this office to aid the public in granting their requests for new offices, or for enlarged and better opportunities for postal business, has been such that probably less dissatisfaction has been experienced by applicants during the past year than for any other similar period.

The following statements constitute a summary of the work performed in each division of the bureau; but it is well known that no such presentations can convey an accurate idea of the amount of work disposed of, on account of the very large part which would hardly admit of classification:

POST-OFFICES ESTABLISHED AND POSTMASTERS APPOINTED.

Number of offices established during the year	3, 166
Number discontinued	1, 447
Increase	1, 719
Number in operation June 30, 1881	44, 512
Number in operation June 30, 1882	46, 231
Number filled by appointment of the President	1, 951
Number filled by appointment of the Postmaster-General	44, 280

Appointments were made during the year—

On resignations and commissions expired	7, 346
On removals	1, 021
On change of name and sites	349
On deaths of postmasters	461
On establishment of new post-offices	3, 166

Total appointments	12, 343
--------------------------	---------

Number of cases acted upon during the year	14, 340
--	---------

APPOINTMENT DIVISION.

Number of cases of all kinds made up	14, 760
Number of cases acted upon affirmatively	14, 340
Number of cases declined	525
Number of queries sent out affecting the establishment, discontinuance, &c., of post-offices	6, 443
Number of circulars of inquiry, &c., mailed	33, 785
Number of letters written	3, 251
Number of cases referred to other bureaus of the department or to correspondents for information	18, 001
Number of Presidential cases acted upon	826
Number of officers placed in charge of sureties on account of death of postmaster or for other causes	226
Number of letters, petitions, and other papers received, indorsed, and filed	116, 732
Number of clerks in the division	13

It became necessary during the past year, in consequence of the increase of the business of this division, to enlarge its force by the

addition of two clerks, so that its employés now number thirteen. Their salaries have also been so far equalized that, with the exception of the principal clerk and one other, they are all of the third class.

BOND DIVISION.

The increase of work in this division during the past year was uniformly steady, and at the same time indicative in many respects of the prevalence of more intelligence and aptitude for business among those appointed as postmasters. While more bonds were sent out to post-office inspectors for investigation, fewer were returned than last year as insufficient. A smaller number of bonds were also returned to postmasters for correction than for some years; and, though the number of money-order offices established during the year was considerably larger than for any other similar period, greater promptitude in the execution of the necessary papers by the postmasters has never been shown.

The following summary exhibits the principal features of the work performed:

Number of entries made upon the books of the division.....	40,737
Number of cases received for which appointment and other papers were mailed.....	14,330
Number of circulars sent calling for the execution of new bonds.....	1,304
Number of surety circulars sent to chief post-office inspector for report.....	1,750
Number of blank assistant and clerks' oaths sent by request of postmasters.....	9,720
Number of new bonds sent by request of postmasters.....	413
Number of new bonds sent by request of the Third Assistant Postmaster-General for increase of penalty.....	286
Number of new bonds sent for establishment of new money-order offices.....	509
Number of circulars sent to sureties who requested to be released from bonds.....	452
Number of letters received from sureties requesting to be released as bondsmen.....	452
Number of cases in which post-office inspectors recommend new bonds.....	80
Number of circulars sent to sureties notifying them of postmasters' failure to deposit or pay contractors.....	1,379
Number of new bonds received.....	1,487
Number of reports received from post-office inspectors on validity of bonds.....	1,675
Number of postmasters', assistant postmasters', and clerks' oaths received, indorsed, and filed.....	27,540
Number of bonds and oaths returned for correction.....	2,961
Number of bonds examined and passed for commissions.....	11,378
Number of bonds filed.....	12,465
Number of corrections in postmasters' names reported to corresponding clerks.....	1,025
Number of commissions mailed to postmasters.....	11,978
Number of letters written.....	350
Number of cases reported to report clerk.....	14,340
Number of established cases reported to Blank Agency.....	3,166
Number of Presidential cases for which appointment papers were forwarded.....	826
Number of circulars sent to postmasters accompanying new bonds.....	2,243
Number of circulars sent calling for the execution and return of new money-order bonds.....	450
Number of circulars sent for appointments, establishments, change of names, and sites, and discontinuances.....	22,408
Number of copies of postal laws and regulations forwarded.....	3,967
Number of new bonds sent to postmasters on report of post-office inspectors.....	80
Number of clerks in the division.....	13

The increased amount of work in this division necessitated a partial rearrangement of the clerical force during the year. The duties of each clerk were made somewhat more specific, and the changes have proved to be very beneficial. The labor of the division is now performed more acceptably than at any previous time, and with more convenience to the clerks of other portions of the department who have occasion to refer to the records of the division.

Accompanying this report will be found tables marked A and B, giving additional information concerning the operations of the appointment and bond divisions.

THE FREE DELIVERY SYSTEM.

This system employed during the year 3,115 letter-carriers in 112 of the principal cities, being an increase of 254 carriers and of 3 free delivery offices, viz: Augusta, Me., Burlington, Vt., and Concord, N. H.

The total amount appropriated (including a special appropriation of \$25,000) was \$2,625,000 against \$2,500,000 for the preceding year. The total cost of the service was \$2,623,262.74, leaving \$1,736.26.

The increased cost of the service as compared with the preceding year was \$123,351.20.

POSTAGE ON LOCAL MATTER.

The aggregate postage on local matter at all the free delivery offices was \$3,816,576.09, being \$542,945.70 more than for the previous year, and \$1,193,316.45 more than the cost of the service; a per centum increase in postage on local matter of 16.50, and 4.93 increase in the cost of the service.

The average cost per piece of handling matter was 2.3 mills, a decrease of one-tenth of a mill as compared with the preceding year. The average cost per carrier (computed on pay of carriers and incidental expenses) was \$835.75, a decrease of \$37.79.

It should be observed in this connection that the expenses are compared with the postage on local matter alone, which constitutes only about 33 per cent. of the matter handled by carriers, and that while frequent deliveries and collections, affording means of speedy receipts and reply to letters, largely increase local correspondence in populous centers, they no doubt increase the number of mail letters as well, for which this service receives no credit. These facilities preclude competition from private enterprises and lead the bulk of correspondence into the post-office. Large private express companies, through which local correspondence was principally carried on in New York and Philadelphia, when this service was established, and for several years afterwards, have been discontinued by reason of the greater and cheaper facilities afforded by this mode of delivery.

While this service meets the general demands of business and social life, it falls short of meeting the urgency required in cases of emergency, and hence has grown up the American Messenger Service in our principal cities, which dispatches letters on the instant by boys employed for the purpose at small compensation. This competition can only be met by using the same means and methods. As these companies are becoming more formidable year by year, and hence it must be assumed that their business is remunerative, it is recommended that steps be taken to procure the necessary legislation, and that the experiment be tried in in one of the large cities. Should it prove successful it may then be extended to other cities.

Additional information concerning the operations of the free delivery division will be found in the table marked C, appended to this report.

SALARY AND ALLOWANCE DIVISION.

BIENNIAL ADJUSTMENT OF THE SALARIES OF PRESIDENTIAL POSTMASTERS.

In accordance with the law the biennial adjustment of the salaries of Presidential postmasters, or postmasters at offices of the first, second, and third classes, was made upon the basis of the business at their respective offices for the four quarters ended March 31, 1882, the salaries being fixed to take effect from July 1, 1882.

Two thousand and twelve adjustments were made, an increase of two hundred and forty-eight, or 14 per cent., as compared with the previous adjustment.

These returns, coming from postmasters from all parts of the Union, showed a very gratifying and general increase of business, especially in the West and South; and the additional sum necessary to pay the increased salaries of postmasters, including three hundred and thirty-five special adjustments made during the year, amounts to \$563,400, or 18.14 per cent. more than last year.

Work done and amounts allowed in the salary and allowance division during the year.

Items fiscal year 1881-1882.	Number.	Amounts.
Number of letters received	8,806	.....
Number of letters written	7,308	.....
Number of circular letters sent out	13,300	.....
Number of allowances for clerk hire made	2,280	\$9,908.30 60
Number of allowances for clerk hire declined	1,004	.....
Number of allowances for rent, fuel, and light made	190	401.97 8 04
Number of allowances for rent, fuel, and light declined	171	.....
Number of allowances for miscellaneous items made	3,177	68,594.76
Number of allowances for miscellaneous items declined	855	.....
Number of allowances for furniture made	258	29,716.04
Number of allowances for furniture declined	244	.....
Number of allowances for stationery made	2,628	50,517.28
Number of allowances for stationery declined	918	.....
Number of allowances for advertising, third and fourth quarters of 1882	21	5,990.50
Number of cases sent to chief special agent for information	169	.....
Number of postmasters' salaries readjusted	2,542	\$563,400.00
Number of fourth-class offices reported by the Auditor where the annual compensation of the postmaster amounted to \$1,000, exclusive of commissions on money-order business	192	.....
Number of fourth-class offices assigned to the third class	145	.....
Number of cases made special	787	.....
Miscellaneous:		
Discontinued rent	5	910.00
Discontinued clerk hire	17	579.40
Presidential offices relegated to the fourth class	9	.....
Number of lease cases prepared	34	.....
Number of leases in operation	313	.....
Miscellaneous	29	2,486.15
Rent, light, and fuel	26	6,991.00
Furniture	8	313.25
Stationery	15	131.47
Average number of employes	4	.....

*Increase as compared with past fiscal year.

In addition to the above a large amount of routine and special work was performed during the year.

This is one of the most important divisions of this office, and among the duties assigned to it are the supervision and the adjustment of the salaries of Presidential postmasters, or postmasters at offices of the first, second, and third classes; the examination of the quarterly returns or accounts of the said postmasters before they are finally passed by the Auditor of the Treasury for the Post-Office Department; the consideration of applications for allowances for clerk hire, rent, fuel, light, stationery, furniture, and miscellaneous expenditures, and also the adjustment and regulation of the salaries and duties of the clerical forces necessary for the proper transaction of the postal business in the larger offices.

I have endeavored during the past year to increase the efficiency of this division, and extend its operations to some details in post-office matters properly within its sphere, but to which attention had not heretofore been systematically directed. This has been particularly the case in the matter of revenues derived from box-rents. I found the method of collecting and accounting for such moneys very imperfect, owing

largely to the indifference and carelessness of a large number of postmasters in making returns for the same; and in order to correct this evil a new system has been adopted, which was put into operation July 1 last. Under the new system each postmaster at offices of the first, second, and third classes is furnished with a small book, with necessary blank receipts with stubs to correspond, and when a box or drawer is rented the renter receives a receipt for the amount paid for the same, and the stub, when filled out and returned with the sworn statement of the postmaster at the end of the quarter, serves to show to the Auditor the name of the person renting the box or drawer, the number, and the amount of rent paid for it, and the time for which it was rented. This plan is in my opinion a great improvement upon the old one, and it has already been found to work advantageously both to the patrons of the offices and the department, and therefore an increase in the revenue from this source may reasonably be expected in the near future.

A more difficult matter in this connection I have found to be the perfecting of an arrangement or scheme by which the box-rents at the larger offices shall be adjusted or equalized so as not to do injustice to the patrons nor deprive the department of a proper equivalent for the benefits extended; and I hope, in a short time, to find a solution of the matter which will give satisfaction in each city, and, at the same time, materially contribute to an increase of the receipts from this source. Heretofore this matter has been left to the discretion of the postmasters, with only a partial supervision of the department.

As you well know, a great difficulty has always been experienced in regulating the different allowances, especially for clerical services, in many of the larger offices, so that no injustice would be done to any of them; and the business of receiving and dispatching the mails would, at the same time, be properly performed.

During the past year, in order to overcome this difficulty, which is greatly increased in consequence of the unexampled growth of postal business at many of these offices, and the consequent necessity for additional allowances for clerk hire in them, you directed the formation of a commission, to be composed of individuals experienced in postal matters, which should visit the post-offices of the principal cities in the North, East, and West, for the purpose of examining, among other things, into their arrangements for the dispatch of business, and also the necessity for present and future allowances for clerical service.

The duties of the commission were performed under my direction, and, it affords me pleasure to state, with the most satisfactory results. The commission found an inequality in the salaries paid in the different offices for the same class of work. It was also found that salaries were fixed with a view to the parties holding positions, and not with a view to the duties and services attaching to the places. In many of these cases the salaries were considered too high; and, in order to do justice to the overworked and underpaid employes, reasonable reduction was recommended, and, in a few cases where places were found to be mere sinecures, they were abolished altogether, the total amount of such reductions in the eight post-offices visited being \$54,530. In many instances, also, the salaries of industrious and valuable employes were increased to correspond with the importance of the work performed by them.

LEASE DESK.

The specific work of the clerk assigned to this desk for the past year may be summarized as follows:

Number of leases prepared	33
Number of letters written	606
Number of cases referred to the chief post-office inspector for investigation and report	28
Number of queries relative to the leasing of buildings for post-offices and stations sent out	37
Number of post-office leases, including leases for stations, in operation in the large cities	313

Much other clerical service was also performed by this clerk, namely, for the salary and allowance division.

LEASES.

In accordance with law no allowance is made for rent except at offices of the first and second classes. Since I took charge of the bureau I have given the matter of leasing buildings for post-offices my most careful attention, and endeavored in every case to procure the most suitable and central buildings, with the best equipments, upon the most favorable terms. I considered this due to the citizens of the communities in which the offices are situated, and also incumbent upon the department as a matter of policy if nothing more; for where the department controls the building, the patrons of the office, of course, expect superior mail facilities, and, as a rule, generally manifest their appreciation of such favors by more liberally patronizing the lock boxes and drawers.

The allowances made for this purpose during the past year were probably greater than for any previous year, as, during that period, at least a dozen buildings have been handsomely and thoroughly fitted up and leased by the department for post-offices, thus affording, in many instances, accommodations equal to those found in buildings erected and furnished by the government in cities of the same size.

In my opinion the department should encourage the people, where practicable, to offer first-class buildings for post-offices.

DIVISION OF POSTAL LAWS AND REGULATIONS.

The following is a summary of work performed in this division:

Number of letters written to postmasters and to private individuals involving decisions under postal regulations and laws during the past fiscal year	8,541
Number of telegrams ordering the forwarding of letters to office of First Assistant Postmaster-General, where they are to be held pending investigation as to whether the facts would justify their delivery to the writer.	326
Number of newspapers and magazines claiming the right to admission as second-class matter that have been examined and admitted or rejected.	3,140
Number of rulings made under postal regulations and statutes which were of such general interest to postmasters and the public as to require their publication in the Postal Guide	353
Amount of money collected from publishers of second-class matter for violation of law in inclosing third-class matter in second class publications.	\$1,733 55

This collection was made through the office of the Third Assistant Postmaster-General, upon investigations made in this office.

The increase during the first quarter of the present fiscal year over the corresponding quarter of the preceding year in the correspondence of this office was something over 40 per cent. During the months of

January, February, and March last, the correspondence indicated an average of 12,000 letters during the present year. When it is considered that every letter written in this division involves an examination to ascertain exact questions submitted, and the careful preparation of an answer that is in entire conformity with all other rulings which may have been sent to any other postmaster or private individual upon the same subject, some idea may be formed of the labor involved.

The classification of printed matter is one of the most difficult and delicate duties assigned to this division. It is recognized that the law favors the circulation of legitimate newspapers as a means of education, paying for their transportation and distribution largely from the public treasury, but that it is not the policy of the statute to authorize the transportation at the public expense of publications which are intended to promote the general business in which the owners of such publications may be engaged, outside of their legitimate business as publishers. It is also recognized that newspapers cannot exist if deprived of their legitimate local advertising, and that every business which seeks to reach the public through publications whose main purpose is to attract attention to the business interests of the publishers, takes away from the legitimate newspaper this patronage, without which it cannot sustain itself, even aided by the liberality of the government in the matter of transportation. The efforts, therefore, in this office have been persistent in endeavoring to exclude from second-class rates all publications which under the guise of a newspaper are primarily designed for private advertising purposes.

The responsibility which must be assumed in acceding to telegraphic requests from the writers of letters for their return before delivery is no slight matter. Such letters, where the telegraphic request is indorsed by the postmaster at the office of mailing, upon evidence submitted in full, are ordered from the post-office of destination to be forwarded to this office, where they are held pending the evidence which has been already considered by the local postmaster, and which again passes under careful consideration here before the destination of the letter is determined.

It is believed that the sums of money collected for violation of the law forbidding the inclosure of matter of higher rate in second-class matter has done much to secure compliance with the statute. The sending out of handbills in newspapers is not only a direct violation of the statute, but is believed to deprive the publications in which they are inclosed of much of their legitimate advertising.

A matter of exceeding difficulty is the large number of cases presented, where the same correspondence is claimed by different persons. Such claims are presented where disputes arise as to the legal occupants of an office where an officer of one corporation, having been removed from office or having resigned, has accepted a like position in another corporation; where firms have made assignments with or without special stipulations as to delivery (conditional or unconditional) of their correspondence to their assignees; where receivers have been appointed by courts; where persons of similar names reside in the same locality; where business firms have dissolved, or their assets have been sold under execution. In these and many other cases that might be mentioned, especially where correspondence addressed to banks is thus in dispute, not only the utmost care must be taken to preserve the rights of the parties asserting their claims, but promptness on the part of this office in expressing its opinion becomes essential, the value of the inclosures within the correspondence depending thereon.

The increase of the work of this office is in such a ratio as will render the present corps of clerks entirely unable to successfully and promptly dispose of it.

This large increase in correspondence is due, in my judgment, chiefly to the distribution of the Official Postal Guide monthly to postmasters, and the rulings and instructions thus placed before them have excited an interest in the postal service and secured not only the exercise of enlightened intelligence in the discharge of the duties of their office, but a care to report all failures on the part of other officials. The revenues have been very largely increased by the earnestness of postmasters in collecting the postage fixed by law, and their desire for the proper administration of their offices is exhibited in the constant presentation of new questions as they arise.

There are at present but four clerks in the division, over which the Law Clerk of the department is placed in general charge by direction of the Postmaster-General. I respectfully recommend that there be added to this division a chief, with a salary at least of \$2,250 per annum. There is a class of correspondence which one holding such a position could satisfactorily discharge without special previous training as a lawyer, and it may be possible with such additional force to discharge the duties of this division during the coming year.

It is a satisfaction that, with all the decisions which have been made affecting personal rights and the classification of publications, no postmaster in obeying the instructions issued from this office has involved himself in any legal proceedings.

BLANK AGENCY DIVISION.

No reference was made in my report of last year to the work disposed of in this division, it having been transferred a few months before to the office of the Postmaster-General. Subsequently the division was restored to this office, and a summary of the labor performed during the fiscal year recently ended is therefore presented.

The work of this division for the past fiscal year was of more than usual magnitude.

The greater part of what is termed "department supplies," *i. e.*, the necessary blanks, paper, twine, letter-balances, and stamps to enable postmasters to make up and forward mails, to record and report the same, as well as to account for the business of the offices to the department and to the Sixth Auditor of the Treasury, are sent from this division.

Of these supplies there were forwarded during the last fiscal year as follows:

Blanks for statements and accounts of postmasters.....	48,176,950
Books for records of post-office business.....	82,793
Facing slips for rating up packages.....	32,736,600
Marking and rating stamps of all kinds.....	6,589
Jute twine (pounds).....	443,102
Hemp twine (pounds).....	116,439
Cotton twine (pounds).....	5,733
Letter balances and scales.....	2,621
Wrapping-paper (reams).....	13,821

The total appropriations and expenditures for the above articles for the fiscal year were as follows:

Appropriations.....	\$165,000 00
Expenditures.....	36,892 53
Leaving a balance of.....	\$128,107 47

Additional information concerning the above expenditures will be found in the tabular statement marked D, and appended to this report.

By the act of Congress dated the 4th of May last, provision was made for supplying all post-offices, the gross receipts of which were less than \$50 per annum, with letter-balances, marking-stamps, ink and pads. This legislation was, at most, a necessity, as this class of offices could not, under the terms of the postal laws and regulations, be furnished with these facilities for business at public expense.

It is expected that more than 7,000 offices will, before the end of the present fiscal year, be thus supplied, and their postmasters will be thereby enabled to make up and dispatch the mails with more accuracy and the government be saved a very considerable sum of money from having the mailable matter emanating from these offices carefully rated up and the stamps upon it properly canceled.

It is recommended in the estimates for this bureau that a sufficient sum of money shall be appropriated for the next fiscal year, not only to furnish all other offices of this grade, estimated to be about 3,000 in number, with these appliances, but that the amount shall also be so large as to admit of extending these benefits to all other offices not now in possession, at department expense, of these facilities.

The accounts of this department for the printing, binding, &c., executed at the Government Printing Office are kept in this division. The appropriation for this work for the last fiscal year was \$150,000, of which amount \$130,582.66 was expended.

It should be stated, however, that the amount above mentioned does not include the cost of the work and material for the printing, binding, &c., of the money-order division of this department, which work is also done at that establishment, as these items are paid for, as they have been for the past two or three years, out of the surplus funds of the money-order office.

The blank-agency division is also charged with the purchase and distribution of stationery for the department, and with the keeping of the accounts of the same with the disbursing officer.

The amount appropriated for this purpose in the executive, legislative, and judicial act for the last fiscal year was \$9,000, of which amount \$8,956.96 was expended.

The estimate for this item is prepared in this office and addressed to the Postmaster-General, who submits it in connection with estimates for other matters pertaining to the department.

Including the superintendent and assistant superintendent the number of employés of the division is 13.

While it does not seem imperatively necessary, I think it would materially contribute toward harmony of arrangement in this bureau if the title of this division should be changed, and the salary appropriations therefor should be made in the usual way, viz, by classes.

The title is now "the blank agency of the Post-Office Department," and the employés are—

	Per annum.
One superintendent, at	\$1,800
One assistant superintendent, at	1,600
Four assistant superintendents, at, each	1,200
Two assistant superintendents, at, each	900
One clerk, at	1,000
One assistant messenger, at	720
Three laborers at, each	650

In all thirteen.

I have to suggest, and I hope it will meet your approval, that the title of this division be changed to that of the division of postal supplies, and the salary appropriations for it be hereafter made as follows: For superintendent, \$2,250 per annum; one clerk class 4: one clerk class 3; four clerks class 1: one clerk at \$1,000 per annum; two clerks at \$900 per annum; two assistant messengers; three laborers. In all, fifteen employés.

This will be an addition of two employés, one as superintendent, at \$2,250 per annum, and one assistant messenger, and in amount of salaries \$2,970 more than is now appropriated.

This change would, in my opinion, place the division upon a better footing than it is at present, render the bureau more compact, classify all its employés to better advantage, and promote the interest of the service.

LETTER-BOOK CLERKS.

The number of letters recorded during the past year by the two clerks assigned to these desks was 24,444. During the same period the number of papers, references, and circulars directed and mailed by these employés amounted to about 75,000.

PRINCIPAL MESSENGER.

All the mail and express matter for the bureau is received and distributed by this employé. The number of letters, papers, requisitions, and packages opened by him during the last fiscal year amounted to 581,932.

Since I have held my present position I have used every opportunity to inform myself as thoroughly as possible regarding the necessary facilities which should be provided by law for the transaction of business to the greatest advantage to the public. I have sought to find how far the present methods of conducting the business were deficient, and what aid could be afforded by additional legislation.

This office now comprises in its practical operations six divisions. They are the appointment, the bond, the salary and allowance, the free delivery, the blank agency, and postal laws and regulations.

Of these divisions there are three through which disbursements are authorized. The salary and allowance division is charged with the disbursement approximately of \$5,000,000. The free delivery division superintends the disbursement of \$3,500,000. The blank agency has charge of the expenditures for printing, binding, stationery, &c., amounting for the past year to \$325,000.

Of all the six divisions only two of them have chiefs recognized by law. Their designation and salaries are as follows: Superintendent free delivery, \$2,100; superintendent blank agency, \$1,800. The other four divisions (appointment, postal laws and regulations, bond, and salary and allowance) have no head or chief recognized by such a term in the law making appropriation for this office, but the business of these divisions is supervised within this office through a clerk of the fourth class (\$1,800 per annum), who is assigned to such duty by me.

Now, while my experience has satisfied me that the work is performed as accurately and satisfactorily as it can be done under existing law, I am very decidedly of the opinion that it would secure still greater efficiency and intelligence in the administration of the different divisions if Congress were to place the responsibility of the proper performance of the different kinds of clerical labor upon officers designated by law,

with salaries advanced above that of the ordinary clerical force of the department, and with duties that could be clearly defined by the head of this office. This personal responsibility, with the feeling that there is a recognition of the special efforts made by such chiefs of divisions, will secure greater earnestness in the discharge of duty, and the proper increase of salary in simple justice to those who are so placed in charge of the various divisions.

These considerations have induced me to urge that you should especially call the attention of Congress to the propriety of reorganizing the office of the First Assistant Postmaster-General, so as to create by law divisions to be known as Appointment, Bond, Postal Laws, and Regulations, and the Salary and Allowance, with salaries to the chiefs of such divisions of \$2,250 per annum, and the salaries of the superintendents of Free Delivery and of what has heretofore been known as the blank agency should be increased to that sum. The latter division, in my judgment, would be more properly designated as the division of post-office supplies. If this latter division were recognized by law as belonging to the office of the First Assistant Postmaster-General, its administration would be regulated by the orders of the head of this office, and the clerical force supplied, promoted, or diminished, as the exigencies of the service required; whereas it now needs the specific authority of Congress for any increase of the clerical or laboring force of the blank agency.

I feel assured that if these recommendations should be adopted by Congress it would result in very great benefit to the public service, by promoting discipline and increasing efficiency in the clerical service, which cannot be fully secured without thorough organization in a department covering so vast an extent of territory, and so intimately related to the daily life of every citizen, where uniformity of administration is of vital importance. It is essential that the lines marking the duties assigned and fixing the jurisdiction of every division of this office should be so clearly drawn that all correspondence can at once be referred to the division to which the subject-matter is assigned.

There is nothing that produces such irritation in the public mind as a feeling that through the postal service absolute equality of rights and privileges is not accorded to every citizen, and unless the chiefs of each division can be assured that the duties which they are called upon to discharge are clearly and distinctly within their jurisdiction, and that they alone are responsible to the head of the office for their discharge, it is impossible to avoid inharmonious rulings and irregular administration over such a territory as is covered by the postal service.

STATIONERY FOR POST-OFFICES.

Under the present regulations, stationery for use in post-offices of first and second classes is now purchased by postmasters at their offices in such quantities as are supposed to be necessary, without application being made to the department.

The bills for stationery thus purchased by postmasters, if not considered unreasonable, are allowed in this office and approved and passed by the Auditor. As a consequence of this rule, the prices returned for stationery by the different postmasters vary considerably, frequently for similar articles, and the quantities used often seem excessive. The expenditures for this item during the last fiscal year were \$56,517.28, many of the articles being for the use of post-office inspectors and for superintendents of the railway mail service.

The estimate for the same for the next fiscal year, which has been submitted in the regular way, is \$65,000.

The estimate for the department stationery for the next fiscal year will probably be \$15,000.

I think it would be decidedly in the interest of economy to unite the two items; to advertise for bids for the supply of such stationery as is needed for the department and for post-offices, and when procured distribute it only in moderate quantities and not unless applied for. This, in the main, is the present practice, so far as the departmental stationery is concerned.

If this change should be ordered by you, authority would have to be given by Congress for employing three or four more clerks in this office to attend to the increased business; but as the stationery could then be contracted for in large amounts, I have no doubt it would be procured cheaper than by the present method of paying the current retail rates where each postmaster purchases separately.

As it is my desire that the expenses of this bureau should be reduced wherever practicable, I hope the suggestions in regard to this matter will meet your approbation.

In concluding, permit me to say that it is my conviction that the changes which have taken place among the employes in this office during the past year have resulted in material benefit to the service, and that the labor which the clerical force has been called upon to perform, always large, various in character, and requiring promptness and fidelity, has been, on the whole, satisfactorily attended to. Further, I sincerely hope that the foregoing different statements relative to the disposition of the appropriations intrusted to this bureau, the establishment and discontinuance of post-offices, the extension of the free delivery service, the benefit derived from the postal commission, and the various other matters referred to, will convince you that the duties devolving upon me have been performed with a desire on my part to deal fairly and justly with all sections of the country.

Very respectfully,

FRANK HATTON,
First Assistant Postmaster-General.

Hon. T. O. HOWE,
Postmaster-General.

A.—Statement showing the number of Presidential post-offices in each State and Territory June 30, 1881, and June 30, 1882, with increase and decrease; also the number of post-offices of each class, together with the number of money-order post-offices and stations, by States and Territories, June 30, 1882.

States and Territories.	Number of Presidential post-offices June 30, 1881.	Number of Presidential post-offices June 30, 1882.	Increase.	Decrease.	Number of post-offices of the first class.	Number of post-offices of the second class.	Number of post-offices of the third class.	Number of post-offices of the fourth class.	Number of money-order post-offices June 30, 1882.	Number of money-order post-office stations.
Alabama.....	18	19	1		1	3	15	1,241	67	.....
Alaska.....								4		.....
Arizona.....	6	6				3	3	109	7	.....
Arkansas.....	9	12	3		1	3	8	968	77	.....
California.....	51	52	1		3	15	34	895	124	4
Colorado.....	29	35	6		2	11	22	403	55	.....
Connecticut.....	48	49	1		3	12	34	411	63	.....
Dakota.....	11	11				6	5	526	37	.....
Delaware.....	6	6			1	1	5	111	15	.....
District of Columbia.....	1	1			1			4	1	2
Florida.....	7	8	1			2	6	384	31	.....
Georgia.....	26	27	1		3	3	21	1,208	82	.....
Idaho.....	2	2				1	1	128	15	.....
Illinois.....	170	170			5	32	133	1,905	486	7
Indiana.....	78	80	2		5	13	62	1,655	246	.....
Indian Territory.....								110	4	.....
Iowa.....	107	109	2		4	22	83	1,445	389	1
Kansas.....	65	69	4		2	11	56	1,494	224	1
Kentucky.....	28	30	2		1	9	20	1,480	90	.....
Louisiana.....	10	10			1	2	7	569	46	.....
Maine.....	30	30			2	8	20	926	102	.....
Maryland.....	16	18	2		1	2	15	731	53	.....
Massachusetts.....	107	112	5		6	31	75	650	156	13
Michigan.....	31	97	6		3	29	65	1,382	290	.....
Minnesota.....	41	42	1		2	8	32	983	141	.....
Mississippi.....	19	21	2			3	18	760	80	.....
Missouri.....	51	58	7		3	6	49	1,806	216	3
Montana.....	9	10	1			3	7	175	15	.....
Nebraska.....	32	34	2		1	4	29	807	123	.....
Nevada.....	10	11	1			6	5	121	18	.....
New Hampshire.....	28	29	1			6	23	450	69	.....
New Jersey.....	52	55	3		2	12	41	657	76	1
New Mexico.....	4	4				1	3	168	10	.....
New York.....	192	197	5		11	40	146	2,845	392	18
North Carolina.....	15	16	1			3	13	1,574	88	.....
Ohio.....	120	125	5		7	19	89	2,417	371	3
Oregon.....	9	9			1	2	6	388	46	.....
Pennsylvania.....	137	144	7		3	31	110	3,452	301	9
Rhode Island.....	11	11			1	4	6	110	16	.....
South Carolina.....	14	14			1	1	12	721	47	.....
Tennessee.....	19	20	1		2	3	15	1,605	96	.....
Texas.....	50	54	4		3	13	38	1,384	169	.....
Utah.....	4	6	2			2	4	212	17	.....
Vermont.....	22	24	2			6	18	474	83	.....
Virginia.....	25	26	1		3	4	19	1,817	90	.....
Washington.....	6	8	2			1	7	274	16	.....
West Virginia.....	9	10	1			1	9	982	49	.....
Wisconsin.....	64	66	2		1	20	45	1,333	216	.....
Wyoming.....	4	4				2	2	77	10	.....
Total.....	1,863	1,951	88		85	430	1,436	44,230	5,436	62

B.—Total operations of the appointment division of the office of the First Assistant Postmaster-General for the year ended June 30, 1882; also statement of the number of post-offices in each State and Territory June 30, 1881, and June 30, 1882, with increase or decrease.

States and Territories.	Post-offices.				Postmasters.				Which number of post-offices also in 1881.	Which number of post-offices also in 1881.	Increase.	Decrease.
	Established.	Discontinued.	Names and sites changed.	Appointments on change of names and sites.	Resigned and commissions expired.	Removed.	Deceased.	Total number of offices.				
Alabama	101	57	0	1	208	17	8	430	1,216	1,260	44	.....
Alaska	1	.....	.....	.....	.....	.....	.....	4	3	4	1	.....
Arizona	16	14	7	3	41	3	1	82	113	115	2	.....
Arkansas	92	89	34	12	206	40	13	495	508	508	12	.....
California	71	36	9	3	125	12	17	208	912	947	35	.....
Colorado	88	43	17	2	133	9	2	139	303	408	105	.....
Connecticut	6	.....	.....	.....	47	2	8	63	454	468	14	.....
Dakota	144	41	47	16	89	19	1	341	434	537	103	.....
Delaware	4	.....	.....	.....	3	4	1	12	113	117	4	.....
District of Columbia	.....	.....	.....	.....	2	1	1	4	5	.....	.....	.....
Florida	58	34	7	3	76	12	8	189	308	392	84	.....
Georgia	118	40	22	5	257	14	12	403	1,157	1,235	78	.....
Idaho	29	11	.....	.....	28	3	2	73	112	130	18	.....
Illinois	59	28	26	6	317	48	17	495	1,244	2,075	831	.....
Indiana	84	33	17	7	341	45	14	504	1,084	1,735	651	.....
Indian Territory	24	5	2	2	.....	1	2	7	91	110	19	.....
Iowa	103	61	50	16	303	51	16	584	1,512	1,554	42	.....
Kansas	114	102	99	63	333	25	10	608	1,551	1,563	12	.....
Kentucky	135	39	27	5	331	26	14	372	1,414	1,510	96	.....
Louisiana	134	25	11	6	104	19	4	217	490	519	29	.....
Maine	29	10	1	.....	60	16	10	117	946	966	20	.....
Maryland	46	11	6	3	95	10	12	178	744	768	24	.....
Massachusetts	13	3	4	1	62	2	12	80	768	771	3	.....
Michigan	93	39	37	25	231	28	14	442	1,425	1,479	54	.....
Minnesota	56	45	43	21	172	11	8	335	1,044	1,025	19	.....
Mississippi	62	33	9	3	125	31	9	169	732	781	49	.....
Missouri	134	59	41	14	387	79	24	734	1,789	1,864	75	.....
Montana	59	21	4	2	39	3	7	119	180	185	5	.....
Nebraska	65	44	56	34	174	27	7	308	841	851	10	.....
Nevada	10	8	1	1	28	2	2	60	121	131	10	.....
New Hampshire	18	2	3	1	30	10	10	73	403	419	16	.....
New Jersey	23	2	8	2	68	9	13	118	691	711	20	.....
New Mexico	50	26	8	2	70	6	.....	145	148	172	24	.....
New York	73	19	24	6	234	20	10	403	1,000	1,000	.....	.....
North Carolina	138	55	27	1	204	24	19	407	1,507	1,507	.....	.....
Ohio	104	35	23	6	376	20	27	503	1,000	1,011	11	.....
Oregon	41	17	12	6	72	6	.....	133	307	307	.....	.....
Pennsylvania	117	26	33	14	300	38	32	463	3,505	3,505	.....	.....
Rhode Island	3	.....	.....	.....	3	1	.....	7	114	121	7	.....
South Carolina	75	32	29	3	113	20	6	206	602	735	133	.....
Tennessee	144	43	22	7	209	20	9	271	1,000	1,000	.....	.....
Texas	153	89	28	1	301	27	12	407	1,000	1,438	438	.....
Utah	12	19	6	2	39	22	4	66	.....	.....	.....	.....
Vermont	2	1	4	1	4	1	6	13	497	497	.....	.....
Virginia	106	54	20	5	234	14	14	341	1,000	1,000	.....	.....
Washington	41	15	9	.....	63	6	1	103	254	254	.....	.....
West Virginia	110	41	21	8	157	.....	.....	208	904	904	.....	.....
Wisconsin	36	45	38	21	136	10	14	204	1,000	1,399	399	.....
Wyoming	9	13	5	1	38	.....	.....	40	58	81	23	.....
Total	3,168	1,447	899	349	7,345	1,071	343	14,340	44,517	46,231	1,714	31

C.—Statement of the operations of the free-delivery

Post-offices.	Carriers in service June 30, 1882.	Delivered.					
		Mail.		Local.		Registered letters.	Newspapers.
		Letters.	Postal cards.	Letters.	Postal cards.		
Akron, Ohio	5	528,442	192,675	41,528	38,837	2,532	477,474
Albany, N. Y.	30	2,719,591	560,046	328,111	298,241	10,690	1,503,923
Allegheny, Pa.	12	1,199,096	310,483	211,683	150,353	8,320	1,063,867
Atlanta, Ga.	10	1,638,088	466,963	133,903	152,550	26,093	1,347,348
Auburn, N. Y.	6	661,516	185,368	92,048	33,865	2,851	434,913
Augusta, Ga.	6	389,618	148,694	36,362	24,177	6,485	293,484
Augusta, Me.	4	458,045	143,020	14,465	8,494	21,317	129,739
Baltimore, Md.	93	6,896,235	1,664,639	1,473,743	1,392,170	52,125	3,669,940
Bangor, Me.	4	306,633	78,042	25,237	13,070	2,800	191,234
Bloomington, Ill.	6	547,385	206,324	37,519	45,563	4,676	468,571
Boston, Mass.	217	15,719,649	4,537,958	6,988,955	4,078,109	95,608	10,117,756
Bridgeport, Conn.	7	439,810	118,619	68,654	41,149	2,377	356,013
Brooklyn, N. Y.	127	7,573,894	2,025,920	2,365,712	1,865,772	46,133	5,150,395
Buffalo, N. Y.	38	5,093,920	853,684	801,738	755,199	39,511	3,871,496
Burlington, Iowa	7	918,367	172,539	108,107	108,513	9,190	698,497
Burlington, Vt.	4	405,881	126,662	45,036	12,706	3,801	310,526
Camden, N. J.	8	545,779	200,884	71,972	73,455	3,041	461,483
Charleston, S. C.	9	873,636	263,927	92,502	102,903	10,352	455,304
Chicago, Ill.	221	30,913,259	6,585,498	6,784,935	4,260,874	305,250	7,225,471
Cincinnati, Ohio	90	8,985,270	1,710,160	1,995,800	1,498,000	61,797	4,052,280
Cleveland, Ohio	41	5,532,063	1,599,659	989,769	579,346	62,303	3,162,865
Columbus, Ohio	16	1,807,184	564,869	154,608	127,648	14,947	1,282,529
Concord, N. H.	4	449,905	130,873	24,240	19,255	2,711	283,219
Covington, Ky.	6	363,253	114,452	25,630	25,045	2,356	254,951
Dallas, Tex.	5	439,200	111,187	26,009	30,223	1,663	207,650
Davenport, Iowa	8	892,262	232,084	58,769	50,062	4,806	585,911
Dayton, Ohio	13	1,470,849	451,904	206,806	143,661	12,788	954,581
Denver, Colo.	13	1,908,467	438,922	304,424	200,076	9,957	1,175,493
Des Moines, Iowa	9	1,686,949	577,791	153,003	126,012	11,964	1,039,772
Detroit, Mich.	36	6,153,244	1,406,306	849,574	463,229	70,792	2,812,959
Dubuque, Iowa	7	655,688	211,039	53,580	44,322	6,993	518,501
Easton, Pa.	7	682,499	171,817	65,655	53,026	2,554	421,671
Elizabeth, N. J.	7	681,033	137,518	118,874	54,282	2,024	662,992
Elmira, N. Y.	8	1,083,582	321,025	76,191	50,776	7,621	471,778
Erie, Pa.	8	1,227,821	154,237	103,545	101,640	1,616	796,947
Evansville, Ind.	8	874,175	210,286	34,972	65,706	7,862	722,351
Fall River, Mass.	8	518,622	78,061	73,958	61,205	1,041	611,146
Fort Wayne, Ind.	8	805,482	113,856	78,336	69,071	5,095	666,995
Galveston, Tex.	2	1,211,867	199,379	45,362	26,887	11,859	444,313
Grand Rapids, Mich.	12	1,637,467	504,680	220,583	141,396	13,871	1,135,075
Harrisburg, Pa.	7	600,844	219,720	80,475	70,659	3,601	1,025,741
Hartford, Conn.	13	1,103,295	298,990	293,327	165,907	5,194	1,072,938
Hoboken, N. J.	5	338,965	100,815	32,744	42,428	5,113	155,779
Houston, Tex.	5	441,874	104,161	48,062	22,933	5,451	295,697
Indianapolis, Ind.	30	3,367,220	964,732	362,793	432,157	23,465	1,926,592
Jackson, Mich.	5	558,734	198,744	38,055	34,842	2,624	578,742
Jersey City, N. J.	26	1,428,297	365,931	210,126	192,749	7,381	814,832
Kansas City, Mo.	23	3,770,179	1,050,827	312,914	218,827	42,757	1,585,762
La Fayette, Ind.	5	458,488	168,801	37,827	21,994	3,187	404,669
Lancaster, Pa.	7	654,212	173,511	43,284	40,171	2,698	415,100
Lawrence, Mass.	9	789,198	99,546	81,532	94,386	1,833	765,894
Leadville, Colo.	5	615,751	44,816	25,333	17,799	2,076	180,944
Leavenworth, Kans.	6	511,401	107,682	19,094	18,389	2,487	433,566
Little Rock, Ark.	5	539,254	134,008	72,383	63,305	5,159	237,410
Louisville, Ky.	34	4,446,800	1,090,904	512,732	607,238	49,910	2,300,958
Lowell, Mass.	12	989,679	209,799	108,144	80,325	3,187	586,196
Lynn, Mass.	11	814,878	242,205	66,850	104,929	1,498	543,803
Macon, Ga.	5	518,507	217,443	22,853	19,837	8,169	361,993
Manchester, N. H.	7	657,044	185,767	35,175	52,320	2,972	506,615
Mansfield, Ohio	4	369,956	142,207	24,742	10,533	4,407	270,614
Memphis, Tenn.	13	1,518,865	292,555	125,390	140,012	19,274	517,695
Meriden, Conn.	5	177,700	43,399	31,917	24,158	797	131,763
Milwaukee, Wis.	24	4,502,612	738,644	700,563	583,869	36,749	1,887,265
Minneapolis, Minn.	18	1,619,330	333,539	200,892	139,186	10,719	1,163,414
Mobile, Ala.	6	394,358	97,238	47,340	43,379	5,069	569,436
Nashville, Tenn.	14	1,565,124	469,820	124,830	154,801	23,808	1,218,437
Newark, N. J.	30	2,536,584	731,068	555,642	429,764	14,671	1,380,515
New Bedford, Mass.	8	759,427	143,468	87,633	42,742	1,705	513,652
New Haven, Conn.	19	1,448,229	286,801	323,803	175,525	8,197	1,850,554
New Orleans, La.	50	2,168,892	354,204	376,917	380,113	39,243	1,573,136
New York, N. Y.	543	53,571,667	11,391,452	32,993,469	13,424,710	538,569	17,860,616
Norfolk, Va.	7	678,202	229,754	66,163	66,836	3,383	442,453

* Established July 1, 1881.

system for the fiscal year ended June 30, 1882.

Letters.	Collected.		Pieces handled.		Cost of services (including incidental expenses).			Local postage on matter.
	Postals, cards.	Newspapers.	Aggregate.	Per carrier.	Aggregate.	Per piece, in mails.	Per carrier.	
412,955	152,130	131,106	1,977,682	365,536	\$3,359.05	1.7	\$671.90	\$1,745.71
1,741,621	583,514	297,331	7,986,268	266,269	27,661.35	3.4	961.48	18,200.47
723,762	248,518	128,947	4,645,374	337,114	9,345.68	2.3	778.75	9,114.54
793,928	357,421	59,859	5,915,333	561,569	6,957.47	1.4	630.75	6,889.66
469,454	153,977	81,625	2,114,141	352,137	4,774.44	2.3	735.74	2,389.94
248,866	100,175	39,257	1,256,988	212,811	4,482.78	3.5	742.89	1,239.34
518,209	91,462	59,061	1,214,812	323,733	2,039.87	2.2	639.97	717.62
12,170,318	2,847,861	298,128	39,435,159	327,365	76,861.11	2.5	825.32	5,675.39
392,865	151,567	49,298	1,261,156	369,279	3,460.09	2.8	826.69	1,425.86
515,255	159,637	161,326	1,957,556	322,896	5,144.59	2.6	837.43	1,540.32
24,863,334	9,344,543	6,563,828	82,369,769	379,676	185,267.51	3.3	829.77	288,049.13
277,557	81,593	29,361	1,418,233	262,665	5,639.11	3.3	881.59	4,388.34
6,569,271	2,858,759	984,397	29,431,654	291,773	169,285.76	3.5	821.15	196,533.54
3,778,115	1,765,097	545,659	17,443,737	459,045	36,247.65	2	839.18	28,836.38
567,168	186,949	137,096	2,816,137	462,305	5,690.96	2.2	812.99	3,464.06
321,469	102,749	135,625	1,464,446	366,111	2,648.27	1.8	692.99	1,475.89
379,958	109,662	71,026	1,832,949	296,617	5,921.89	3.1	748.32	2,453.16
671,992	284,418	92,645	2,847,719	816,413	7,169.64	2.5	765.62	3,399.75
46,193,682	10,842,698	7,711,940	114,832,697	519,692	187,466.00	1.6	648.25	28,719.43
5,456,120	2,096,939	1,524,910	27,253,367	361,169	73,369.28	2.7	829.78	34,991.28
4,637,908	1,635,485	687,378	18,289,976	446,024	58,361.21	2.7	891.74	50,717.45
1,613,997	475,657	138,464	5,579,395	348,796	12,274.82	2.2	767.19	6,288.40
282,641	167,513	59,959	1,366,336	349,079	2,794.31	2.1	676.19	1,899.94
292,927	171,887	49,199	1,169,739	183,256	4,652.21	4.2	775.37	908.10
293,878	113,492	48,927	1,273,759	259,676	4,668.68	2.5	832.82	2,313.13
445,185	177,128	55,663	2,592,810	312,851	6,829.12	2.7	826.64	2,415.89
944,171	465,799	376,688	5,097,137	385,166	16,832.66	2.2	834.78	6,396.97
1,269,692	596,961	227,524	5,771,386	413,953	8,231.85	1.6	716.14	12,722.21
958,317	543,397	235,692	5,347,897	594,211	7,690.94	1.9	778.56	8,112.99
2,609,955	858,355	345,612	15,696,026	474,167	33,154.17	2.1	926.65	22,995.11
501,649	235,132	89,026	2,405,239	343,627	5,436.09	2.5	778.67	1,723.83
451,976	196,125	293,827	2,329,150	354,164	5,744.61	2.4	829.66	2,448.86
359,124	122,766	37,959	2,196,572	313,796	5,236.73	2.2	762.49	3,121.31
467,687	178,569	69,558	2,659,127	332,391	5,833.43	2.2	731.98	2,338.37
423,436	171,498	59,472	2,691,599	378,949	6,767.83	2.2	848.48	4,064.19
188,877	251,996	89,477	2,829,792	334,965	6,646.92	2.2	839.49	1,711.60
287,691	69,766	68,542	1,732,942	239,118	5,542.42	3.2	802.89	2,375.77
569,366	178,179	48,769	2,475,199	369,339	6,946.37	2.6	793.17	3,209.03
720,364	263,112	97,629	3,660,802	368,178	6,129.63	2.1	689.65	2,168.18
1,435,327	489,950	299,916	5,767,365	482,280	8,126.11	1.4	677.18	6,552.46
294,221	146,264	21,443	2,373,681	359,012	3,469.69	2.3	771.63	1,787.68
769,317	196,864	659,661	4,482,657	314,888	9,713.48	2.2	747.19	11,150.13
152,891	88,286	11,186	917,457	183,491	3,482.68	3.8	689.34	1,272.91
127,792	88,697	13,273	1,068,889	217,756	4,741.70	4.4	944.34	1,750.97
2,125,168	845,181	329,961	10,568,489	345,616	28,891.28	2.8	961.91	11,876.41
281,576	169,712	37,918	1,861,647	372,349	3,977.26	2.1	735.16	1,269.72
951,477	347,945	151,794	4,469,872	171,018	21,478.89	4.8	826.11	7,492.44
1,635,821	698,666	411,166	9,726,249	422,689	16,369.55	1.7	717.68	12,658.39
289,978	109,422	19,897	1,546,683	369,057	4,231.59	2.8	839.36	1,899.61
198,419	88,861	16,698	1,624,914	212,181	4,939.59	2.7	745.25	1,941.31
829,339	122,228	161,632	2,895,269	321,739	7,927.11	2.7	889.78	2,757.73
174,956	78,881	31,721	1,131,271	226,394	4,368.63	4.6	835.61	1,292.66
467,669	169,424	69,698	1,732,789	237,199	5,669.25	2.1	615.35	889.25
414,099	156,711	39,841	1,692,769	322,432	4,369.85	3.3	891.39	2,034.25
2,996,689	1,112,918	544,597	18,576,447	399,777	31,097.98	3.4	912.68	29,890.39
418,469	174,796	47,612	2,898,967	296,411	9,128.99	3.2	769.72	4,642.29
565,549	257,688	38,688	2,399,395	264,995	8,129.87	3.1	798.26	3,101.67
476,412	254,699	77,414	1,999,368	366,114	5,192.89	1.7	674.36	1,698.88
368,797	119,738	27,481	1,447,329	279,416	5,097.65	2.9	735.94	1,896.92
213,511	94,519	27,626	1,186,173	269,431	3,999.66	2.2	627.24	1,345.46
634,574	235,397	96,793	3,116,165	229,432	11,469.69	2.1	691.56	4,912.67
59,477	35,676	5,313	599,184	769,639	3,469.69	6.8	699.69	3,725.41
2,398,125	899,576	395,566	12,619,269	391,388	39,148.94	3.3	888.71	22,166.99
1,653,921	527,413	116,696	4,969,398	278,861	12,841.69	2.8	684.34	4,492.45
383,878	98,672	179,164	1,899,393	399,425	5,114.19	2.8	862.26	2,334.16
621,829	299,650	119,818	4,418,897	371,711	9,649.68	3.1	615.65	5,273.24
1,596,568	619,495	191,249	7,999,695	29,562	26,299.62	3.2	919.92	16,824.99
419,519	198,619	29,228	2,164,697	368,573	5,111.92	3.6	699.49	3,377.23
974,880	296,793	161,279	3,821,995	399,298	76,444.16	3.3	698.69	15,169.69
2,699,821	955,789	347,697	4,778,171	147,899	44,834.63	4.8	886.69	19,981.61
74,948,429	19,658,189	4,713,832	28,998,999	449,166	47,768.41	1.9	889.27	1,699,697.99
757,826	388,666	119,989	2,754,395	399,473	5,699.69	2	787.69	3,441.69

system for the fiscal year ended June 30, 1882—Continued.

Collected.			Pieces handled.		Cost of service (including incidental expenses).			Postage on local matter.
Letters.	Postal cards.	Newspapers.	Aggregate.	Per carrier.	Aggregate.	Per piece, in bulk.	Per carrier.	
497,985	119,220	22,117	2,315,382	291,538	27,042 41	3.3	504 24	2,357 25
474,985	273,918	77,077	3,702,369	308,291	8,037 49	2.4	761 46	7,029 86
359,250	125,000	50,385	1,506,089	241,915	5,116 17	3.4	502 02	1,118 47
418,129	156,128	100,002	2,729,473	372,947	7,146 51	2.6	714 05	1,394 26
727,627	202,227	122,809	2,908,347	423,166	7,179 88	2.5	797 71	2,404 94
361,885	213,301	33,740	1,680,008	188,683	4,071 72	2.8	778 62	2,021 06
43,303,391	16,291,112	10,659,304	141,891,800	433,817	290,007 77	2.9	879 18	488,077 80
2,623,389	937,852	355,286	12,050,049	317,264	25,907 25	2.8	890 14	32,124 60
975,491	377,256	173,943	3,882,802	308,286	8,560 80	2.4	800 00	2,222 48
512,887	92,966	49,747	1,333,175	266,635	4,508 75	3.4	901 75	2,446 51
178,632	80,000	162,243	1,374,618	343,654	3,400 00	2.5	800 00	972 83
687,090	147,592	110,206	2,401,617	348,088	9,971 95	2.5	800 14	2,297 88
1,563,392	490,664	171,896	6,277,874	292,412	26,412 43	4.2	802 06	28,622 80
449,856	212,065	41,137	2,631,066	331,461	6,732 87	2.5	841 61	2,119 42
449,751	259,854	52,144	2,634,220	263,422	8,481 70	3.3	849 14	3,017 60
298,550	121,733	108,116	1,567,913	261,819	3,530 94	3.2	588 49	1,800 01
966,385	389,065	131,573	4,601,000	269,114	14,460 08	3.1	807 13	5,102 04
1,792,810	541,090	282,053	9,960,537	348,467	24,285 61	2.4	800 88	16,000 92
288,421	57,392	31,538	1,677,446	215,480	4,776 06	4.4	904 19	1,000 97
1,032,829	465,800	181,006	4,682,223	468,122	7,611 27	1.7	761 03	5,321 71
8,864,219	3,275,924	2,252,277	41,665,249	325,510	119,647 59	2.9	934 73	34,361 43
1,762,185	546,965	171,993	7,117,297	355,865	14,953 25	1.9	697 66	8,101 06
302,619	94,125	65,147	1,600,317	228,017	5,239 13	3.3	748 45	1,971 24
7,453,551	1,639,282	1,546,621	23,046,513	365,822	61,000 81	2.7	800 00	61,000 47
605,245	199,917	91,924	2,197,889	274,736	5,900 00	2.2	737 50	4,467 74
255,082	127,945	55,976	1,872,025	267,432	5,230 05	2.3	747 15	1,710 38
417,710	147,391	55,118	2,349,589	293,699	6,802 10	3	800 00	5,002 26
208,386	94,408	28,951	1,763,615	251,945	5,192 75	3	741 82	2,472 26
999,069	403,674	156,762	6,153,348	307,007	15,263 58	2.5	763 18	8,466 40
641,512	354,063	236,450	3,043,166	380,306	6,356 15	2.9	734 82	2,460 10
1,286,738	563,067	302,809	5,800,991	380,700	12,366 85	2.2	803 72	5,000 04
636,696	216,867	65,509	3,032,339	505,390	4,499 88	1.5	783 81	3,000 05
460,646	36,091	28,741	1,659,478	207,435	4,528 21	3.3	691 00	3,000 61
2,059,080	621,801	573,918	8,283,122	460,173	14,973 81	1.7	776 00	11,443 06
963,148	400,130	126,680	4,037,691	360,374	14,286 26	2.5	807 19	4,181 71
2,906,525	887,439	674,341	13,528,453	221,777	48,477 00	3.6	793 72	28,771 06
716,014	268,737	105,434	2,806,520	280,602	8,666 20	2.4	800 00	2,120 74
471,940	195,628	31,061	2,620,335	262,091	6,266 00	3.3	800 00	4,714 68
429,549	164,887	48,268	2,919,104	274,444	10,944 00	3.7	802 00	6,710 00
295,991	157,006	107,102	1,519,829	308,000	3,400 00	2.3	800 00	1,111 08
308,352,819	99,421,132	61,722,814	1,143,518,887	307,450	2,617,574 00	2.5	805 75	3,816,576 09
					5,008 18			
					2,623,262 74			

D.—Statement showing the total amount of post-office supplies received and issued during the quarter ending June 30, 1882, by D. W. Rhodes, superintendent blank agency, Post Office Department.

RECEIVED.

Date.	Stamps.							Twines.			Balances.				Paper.			
	Hours, No. 1.	No. 1.	Octg.	No. 2.	Time.	Msls.	Steel-type.	Metal-type.	Jute.	Hemp.	Cotton.	8 ounces.	4 pounds.	62 pounds.	240 pounds.	Barl. hds.	20 × 25.	26 × 40.
Balance.....																		
April 5.....									6,817	1,144		409	56	19	1		1,228	122
12.....									10,000	1,200								
13.....									6,154	1,801								
19.....									6,000	1,171	9,730							
24.....									10,020	1,109	737	400						
May 8.....									10,020	4,674								
15.....	70	203	41	310	162	200	1,302	720	10,010	4,166						1		
20.....									10,000	2,900								
25.....									8,000									
29.....									3,000	2,850								
June 1.....										1,644								
6.....									10,199	1,644							1,950	83
11.....	18									1,920			30		5			
24.....	70	167	393	287	81	200	516	720	21,020	12,990								
27.....	126	157	14	271	1	280	720	720	14,715							22		
Gained in issuing.....									8,621							4		
Balance on hand.....	284	527	448	868	244	680	1,818	2,160	134,576	41,129	10,467	809	86	19	6	27	3,178	205
									16,000	8,404	4,734	315					150	12

D.—Statement showing the total amount of post-office supplies received and issued during the quarter ending June 30, 1882—Continued.

TOTAL AMOUNT OF DISBURSEMENTS FOR THE YEAR 1881-82.

Quarter.	Stamps.						Twines.			Balances.						Paper, reams.			
	Hours, No. 1.	No. 1.	Octg.	No. 2.	Num.	Mals.	Steel-type.	Metal-type.	Jute.	Hemp.	Cotton.	8 ounces.	4 pounds.	62 pounds.	240 pounds.	600 pounds.	Band, lbs.	20 - 25.	26 - 40.
First.....	156	211	83	310	79	640	.....	625	88,022	24,191	.....	739	178	11	5	3	27	2,809	85
Second.....	63	105	31	237	87	.....	.....	1,075	108,167	24,579	.....	368	85	4	4	3	17	3,535	114
Third.....	291	440	79	532	106	68	.....	9,670	128,337	34,944	.....	530	84	4	4	5	13	4,003	134
Fourth.....	284	527	448	868	244	680	1,818	2,160	118,576	32,725	5,733	494	86	19	6	.....	27	3,023	193
Total.....	814	1,283	641	1,947	516	1,388	1,818	13,530	443,102	116,439	5,733	2,121	433	38	19	19	84	13,375	446

Statement of the different sums appropriated and expended for supplies, on account of the blank agency, Post-Office Department, during the fiscal year 1881-'82.

	Appropriation.	Expended.	Balance.
Wrapping-paper	\$20,000	\$19,995 39	\$4 41
Jute twine		34,545 45	
Hemp twine		13,380 00	
Cotton twine	55,000	5,322 58	2 245 36
Balances and scales	10,000	10,000 00	
Marking stamps	15,000	14,016 25	583 75
Total	100,000	99,764 48	3,235 52
Post-Office printing and binding	100,000	100,582 00	19,417 54
Stationery	5,000	5,236 00	40 04
	205,000	205,582 48	22,695 20

Amount of blanks, books, and facing-slips issued by the blank agency during the year ending June 30, 1882.

Quarter.	Blanks.	Books.	Facing-slips.
First	10,781,350	18,984	10,167,600
Second	14,801,400	21,037	7,216,000
Third	15,540,300	25,679	7,216,000
Fourth	19,396,950	17,093	8,137,000
Total	49,519,000	82,793	32,736,600

D. W. RHODES,

Superintendent.

E.—Estimates for the fiscal year ending June 30, 1884, for the office of the First Assistant Postmaster-General.

Items.	Expenditures for 1880-81.	Appropriations for 1881-82.	Expenditures for 1881-82.	Increase of expenditures in 1881-82 over 1880-81.	Estimates for 1882-83.	Appropriations for 1882-83.	Estimates for 1883-84.	Increase of estimates for 1883-84 over appropriations for 1882-83.
For compensation to postmasters.....	\$8,298,742 79	\$7,800,000 00	\$8,964,676 72	\$965,933 83	\$8,800,000 00	\$8,800,000 00	\$10,134,091 25	\$1,334,091 25
Same, per act of August 5, 1882, deficiency.....		1,192,206 88						
For clerks in post-offices.....	3,676,756 22	3,850,000 00	3,998,296 69	231,640 38	4,235,000 00	4,385,000 00	4,850,000 00	465,000 00
Same, per act of March 6, 1882, additional.....		100,000 00						
For letter-carriers.....	2,449,911 54	2,600,000 00	2,623,262 74	123,351 20	3,000,000 00	3,000,000 00	3,600,000 00	400,000 00
Same, per acts of March 6, 1882, and August 7, 1882.....		25,000 00						
For rent, fuel, and light.....	382,714 86	425,000 00	401,978 04	19,263 18	450,000 00	200,000 00	450,000 00	250,000 00
For office furniture.....	19,296 87	20,000 00	*20,716 64	1,419 77	25,000 00	20,000 00	30,000 00	10,000 00
For stationery.....	49,238 45	50,000 00	568,517 23	7,278 83	60,000 00	55,000 00	65,000 00	10,000 00
For miscellaneous and incidental items.....	80,989 15	90,000 00	68,594 76	*12,394 39	100,000 00	90,000 00	90,000 00	0
For wrapping-paper.....	24,900 10	20,000 00	19,993 59	44,906 51	22,000 00	22,000 00	25,000 00	3,000 00
Same, per act of August 5, 1882, deficiency.....		5,000 00						
For wrapping-twine.....	84,603 38	55,000 00	52,754 64	11,848 74	55,000 00	55,000 00	55,000 00	0
For marking and rating stamps.....	13,499 50	15,000 00	14,144 30	644 80	15,000 00	15,000 00	25,000 00	10,000 00
For letter balances and scales.....	7,997 80	10,000 00	10,000 00	2,002 20	15,000 00	15,000 00	25,000 00	10,000 00
For ink, stamping and canceling purposes.....						35,000 00	10,000 00	17,500 00
Pads, stamping and canceling purposes.....							10,000 00	10,500 00
Totals.....	15,138,650 66	16,257,206 88	16,141,025 31	1,002,384 65	16,777,000 00	17,142,000 00	19,369,091 25	2,227,091 25

* Deficiency created, \$716.24.

Deficiency created, \$6,517.78.

† Decrease.

Ea.—EXPLANATION OF ESTIMATES.

POST-OFFICE DEPARTMENT,
OFFICE OF FIRST ASSISTANT POSTMASTER-GENERAL.

Washington, D. C., October 23, 1882.

SIR: Agreeably to your request, I submit herewith estimates of the appropriations necessary for the use of this office for the fiscal year ending June 30, 1884, under the following heads, viz:

For compensation to postmasters.....	\$10,134,091 25
For clerks in post-offices.....	4,550,000 00
For free-delivery service.....	3,600,000 00
For rent, fuel, and light.....	450,000 00
For office furniture.....	30,000 00
For stationery in post-offices.....	65,000 00
For miscellaneous and incidental items.....	90,000 00
For wrapping-paper.....	25,000 00
For wrapping-twine.....	35,000 00
For marking and rating stamps.....	25,000 00
For letter balances and scales.....	25,000 00
Ink for stamping and canceling purposes.....	10,000 00
Pads for stamping and canceling purposes.....	10,000 00

Total estimate 19,369,091 25
or \$2,227,091.25 more than the appropriation for the current year.

COMPENSATION TO POSTMASTERS.

The following were the estimates, appropriations, and expenditures for this item for the past two fiscal years:

	1881-'81.	1881-'82.	Increase.
Estimates.....	\$7,550,000 00	\$7,800,000 00	Per cent.....
Appropriations.....	7,200,000 00	7,400,000 00	.....
Expenditures.....	8,298,742 79	8,904,676 72	8 02
Deficiency.....	798,742 79	1,164,676 72	45 81

From the above it will be perceived that the expenditures for the fiscal year ended June 30, 1882, exceeded the appropriation for that period in the sum of \$1,164,676.72. In anticipation of a large deficiency, Congress, at its last session, upon the recommendation of the Postmaster-General, appropriated the sum of \$1,192,206.88, or so much thereof as might be necessary, to meet the deficit for this item during the fiscal year. The deficiency reported by the Auditor (\$1,164,676.72) is not so large as the amount appropriated by \$27,530.66; but it is expected that when the delayed returns from postmasters for the year shall have been received, the whole amount appropriated by Congress will be expended. The expenditures for the past fiscal year were also greater than those of the previous year in the sum of \$665,933.93, or 8.02 per cent.

The expenditures for the past year also exceed the appropriation (\$8,800,000) for the current fiscal year by \$164,676.72.

From the foregoing it will appear that a very much larger appropriation for compensation to postmasters should be made for the next fiscal year.

It has been ascertained that the compensation of postmasters bears a direct relation to the gross receipts of the department. The present law regulating the compensation of postmasters of the fourth class went into operation the 21st July, 1878.

During the first fiscal year of the change, ended June 30, 1878, it re-

quired 23.9 per cent. of the gross receipts to pay the compensation of postmasters.

During the fiscal year ended June 30, 1880, 23.1 per cent. was required; for the year ended June 30, 1881, 22.5 per cent. was required; and for the year ended June 30, 1882, 21.4 per cent. was necessary.

It will thus be seen that the decrease in percentage of compensation to postmasters to the gross receipts has been a steady one; and this is only natural, since the great bulk of the receipts is collected at the larger offices, where the salaries are fixed by law. The receipts for the fiscal year ending June 30, 1884, based on an increase of 10 per cent. upon the last fiscal year, have been estimated at \$50,670,456.27. It is believed that not more than 20 per cent. of this amount will be required to pay postmasters for the next fiscal year. Upon this basis it is estimated that \$10,134,091.25 will be necessary for the compensation of postmasters for the year ending June 30, 1884. This amount will be \$1,334,091.25 greater than the amount (\$8,800,000) appropriated for the present fiscal year, or an increase of 15.16 per cent.

An essential element in the above estimate is the increase under the biennial readjustment of July 1st last in the salaries of postmasters at first, second, and third class offices, amounting to \$563,400 more than was paid last year.

CLERKS IN POST-OFFICES.

The estimates, appropriations, and expenditures for this purpose for the past two fiscal years were as follows:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$3,650,000 00	\$3,850,000 00	.....
Appropriations	3,680,000 00	{ 3,850,000 00 100,000 00	{ 7.33
Expenditures	3,676,756 22	3,908,396 60	6.30

The appropriation of \$3,850,000 for the fiscal year ended June 30, 1882, was found, after six months of the year had expired, to be inadequate for the necessities of the service, and upon the recommendation of the Postmaster-General an additional \$100,000 for the year was appropriated by Congress on the 6th of March last for this item, making the whole amount \$3,950,000. This appropriation was \$270,000, or 7.33 per cent. greater than for the previous year. The appropriation for the present fiscal year is \$4,385,000.

The expenditures for the last fiscal year amounted to \$3,908,396.60, or \$41,603.40 less than the appropriation. In no other fiscal year have the requests for additional allowances for clerical service and separating mails in post-offices been so numerous or so urgent as the past. These requests have been made by postmasters in all sections of the country, but they have been especially necessary in the rapidly-growing portions of the West and Southwest. Postmasters at many of the principal cities in the older States have also applied for additional allowances for clerk-hire, in consequence of the great increase of the business of their offices from registered matter, merchandise passing through the mails, and from other causes. After the passage of the act granting \$100,000 additional for this purpose for the past fiscal year, I found myself somewhat embarrassed, owing to many deserving applications, in making a proper disposition of it.

The commission referred to in my report to the Postmaster-General was determined upon as a measure of relief, as well as with a view to

the better organization of the service in several of the large cities. The adoption of their recommendations resulted in a considerable saving of funds, and furnished a better basis for making future allowances at the offices visited. This did not afford sufficient relief, however, nor have I yet been able, with the appropriation at my command, to grant all the requests from the South and West, which are equally urgent; though the revenue derived from these offices is not so large as from many in the North and East, nor is it in numerous instances at all in proportion to the great amount of labor required.

I have therefore estimated the amount necessary to be appropriated for clerks in post-offices for the fiscal year ending June 30, 1884, at \$4,850,000, which is \$465,000, or 10.6 per cent., greater than the appropriation for the current year. I consider this amount absolutely requisite to meet the rapidly increasing and important requests of this character which are constantly being received, and are made necessary by the remarkable expansion of postal business in all sections of the country.

FREE-DELIVERY SERVICE.

The following were the estimates, appropriations, and expenditures for this services and the incidental expenses thereof, during the two past fiscal years:

	1881-'82.	1882-'83.	Increase.
Estimates.....	\$2,500,000 00	\$2,750,000 00	Per cent.
Appropriations.....	2,750,000 00	2,825,000 00	2.7
Expenditures.....	2,499,911 54	2,623,262 74	4.93

This system was in operation on the 30th of June last in 112 of the principal cities of the country, and employed 3,115 carriers. It has been extended to 25 other cities since that date.

The regular appropriation of \$2,000,000 for the past fiscal year was increased in the sum of \$25,000, to meet an anticipated deficiency, making \$2,025,000 for the period, and an increase of \$125,000, or 6 per cent., over that of the previous year. The expenditures were \$2,623,262.74 for the fiscal year, or \$1,737.26 less than the appropriation. The cost of the service was increased \$123,351.20 over that of the preceding year, principally owing to the appointment of additional carriers in cities where the service was already in operation. The service was extended to only three cities during the year.

The postage on local matter for the year was \$3,810,576.02, an increase of \$542,945.70 for the year. The average cost per piece for handling matter was 2.3 mills, a decrease of 0.1 mill as compared with the last year. The average cost per carrier was \$835.75, a decrease of \$31.79.

The appropriation for the present fiscal year is \$3,200,000, of which amount \$200,000 was appropriated by the terms of the act of August 2, 1882, which law requires the promotion of carriers to the next higher grade after one year's service.

For the fiscal year ending June 30, 1884, it is estimated that an appropriation of \$3,600,000 will be required in order that free delivery may be extended to other cities possessing the necessary qualifications, either of population (20,000) or of gross revenue (\$20,000) from the post-office; that provision may be made for the development of the service where it already exists, and that the pay of certain carriers may be increased under the provisions of the law above mentioned.

The increase of estimate is \$400,000, or 12 per cent. more than the amount appropriated for the current year.

A detailed explanation of the expenses of this service, as well as of its popularity and usefulness, will be found in my annual report to the Postmaster-General.

RENT, LIGHT, AND FUEL.

The estimates, appropriations, and expenditures for this item for the two last fiscal years were as follows:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$450,000 00	\$500,000 00	.....
Appropriations.....	425,000 00	425,000 00	.....
Expenditures.....	382,714 86	401,978 04	5.03

The estimate for these items for the fiscal year ending June 30, 1884, is \$450,000, the same as the appropriation for the current year, and it exceeds the expenditures for the past year in the sum of \$48,021.96, or 11.94 per cent. By law allowances of this character are made only at offices of the first and second classes, or where the salaries of the postmasters are \$2,000 and upwards per annum, and they are usually based upon the amounts received at the different offices from box-rents and the commissions upon the sales of stamps. The increase in these allowances during the past fiscal year over that of the preceding one was \$19,263.18, or 5.03 per cent. Of the whole amount expended, about \$305,000 was for rent of buildings for post-offices.

It has been my endeavor during the time I have been in the department to secure for use, when permitted to do so by the postal laws, a better class of buildings in the different cities for post-offices than have heretofore been occupied, and my efforts have been attended with considerable success in many places. Still further improvements can be made and advantages secured in this particular, as the inhabitants of the larger cities (where government buildings do not exist) have become aware of the importance of a well-built and well-finished structure for postal business. With this object in view I consider that an appropriation of \$450,000 would not be excessive for these items.

I am also of the opinion that some provision should be made by Congress by which postmasters of the third class, whose salaries are \$1,000 and less than \$2,000 per annum, should, to a certain extent, be relieved from the payment of the rent of their offices out of their salaries. Considering that the revenues of the department for the past fiscal year exceeded the expenditures, it seems to me that liberality could be observed in this direction.

OFFICE FURNITURE.

The estimates, appropriations, and expenditures for this purpose for the past two years were as follows:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates	\$20,000 00	\$25,000 00	.....
Appropriations.....	20,000 00	20,000 00	.....
Expenditures.....	19,296 87	20,716 64	7.35

The appropriation for this item for the present fiscal year is \$20,000, or the same as for the previous year, and, in my judgment, is entirely

too small for the purpose. The postal affairs of the country cannot be properly and expeditiously conducted unless the offices are furnished with suitable facilities in the way of furniture, such as tables for assorting the mails, desks for writing, racks for hanging the mail bags, and many other articles which are absolutely necessary for the proper transaction of business. I regret to say that within my own knowledge there are many post-offices so ill-provided in these respects that it is a source of unfavorable comment by their patrons upon the departmental management. Many postmasters have been compelled to provide articles of furniture at their own expense, and assume the risk of disposing of them to their successors. Especially is this the case in the matter of safes, which are indispensable in all of the larger offices. During the past year the applications of postmasters to have offices supplied with them have been more numerous than ever before. Considering that it was, to a certain extent, both economical and proper to provide safes for many of the important offices where much registered matter is sent for distribution to other points, I have made quite a number of allowances for that purpose during the year, and the bills for such items having been presented earlier than was anticipated, a deficiency of \$716.64 has thereby been created. I have estimated the amount requisite for this item for the fiscal year ending June 30, 1884, at \$30,000, an increase of 50 per cent. over the appropriation for the present year, and firmly believe the public interests require it.

STATIONERY IN POST-OFFICES.

The following were the estimates, appropriations, and expenditures for this item for the past two fiscal years:

	1880-'81.	1881-'82.	Increase.
Estimates	\$50,000 00	\$60,000 00	Per cent.
Appropriations	24,000 00	26,000 00	.....
Expenditures	49,278 83	56,517 28	14

The appropriation for stationery for the current fiscal year is \$55,000, which is \$5,000, or 10 per cent., more than was granted for either of the two previous years, while the expenditures for the year 1881-'82 exceeded the appropriation for this item, for the same period, in the sum of \$6,517.28, thereby causing a deficiency for the year of that amount. The expenditures for the past year were greater than those of the previous year by \$7,278.83, or 14 per cent.

I much regret that a deficiency should have occurred for stationery during the past year. The causes were that no increase was made in the appropriation for this item for the year, although an estimate for \$10,000 additional was made; that the requests for the articles used under this item are becoming more numerous and urgent each year, and in the same degree in which the postal business is augmented; and further, that by the regulations of the department, postmasters at first and second class offices (the only ones who are entitled to allowances for these items) are permitted to purchase the necessary stationery without making application to the department for the same. The stationery used by many post office inspectors and railway mail service superintendents has also been paid for out of this item.

It is the first time that a deficiency in this appropriation has occurred in several years, and it could have been avoided if the returns of the postmasters to the Auditor were readily accessible at the end of each quarter. The estimate for this item for the next fiscal year has been

placed at \$65,000, an increase of \$10,000, or 18 per cent. over that of the current year, and I know of no good reason why that appropriation should not be made.

MISCELLANEOUS AND INCIDENTAL ITEMS.

The following were the estimates, appropriations, and expenditures for these items during the two past fiscal years:

	1880-'81.	1881-'82.	Increase. Decrease.	
			<i>Per cent.</i>	<i>Per cent.</i>
Estimates.....	\$90,000 00	\$100,000 00		
Appropriations.....	85,000 00	90,000 00	5.88	
Expenditures.....	80,989 15	68,594 76		15.30

The appropriation for the present fiscal year is \$90,000, or the same as for the last year, and is but \$5,000, or 5.88 per cent., greater than that for the year ended June 30, 1880-'81. It will be perceived that the expenditures for the past fiscal year were \$12,394.39, or 15.30 per cent. less than for the year previous. This was mainly due to the fact that the expenses for the miscellaneous and incidental items of the railway mail service, heretofore charged to this office, were, during the last half of that fiscal year, transferred to the accounts of the Second Assistant Postmaster-General's office, in the absence of any specific appropriation therefor. Nevertheless I do not anticipate that the expenditures for these items will again be as low as they were during the past year.

The same necessity exists as heretofore for the rental of telephones, for telegraphic communications, and the many other expenses incidental to the proper dispatch of business in post-offices, and must necessarily increase in proportion as the country expands and the postal business increases. Post-offices cannot be successfully conducted without the numerous little appliances to facilitate business which are ordinarily seen in other large public and private establishments; and I have therefore estimated the amount necessary for these items for the next fiscal year at \$90,000, or the same as appropriated for the present year.

BLANK AGENCY.

Some time prior to my report of last year this division of the department was detached from this bureau and assigned by the Postmaster-General to his office; hence no estimates were then prepared by me for its appropriations.

The division having been since restored to the office of the First Assistant Postmaster-General, the estimates for its service are again submitted by that officer.

WRAPPING-PAPER.

The estimates, appropriations, and expenditures for this article for the two past fiscal years were as follows:

	1880-'81.	1881-'82.	Increase. Decrease.	
			<i>Per cent.</i>	<i>Per cent.</i>
Estimates.....	\$20,000 00	\$20,000 00		
Appropriations.....	20,000 00	20,000 00	25	
Expenditures.....	24,900 00	19,993 59		19.73

The appropriation for this item for the current fiscal year is \$22,000, or 10 per cent. over the expenditures of the last year.

In anticipation of a deficiency for this article during the past year, an additional appropriation of \$5,000 was asked for. It was not given, however, until very late in the session (August 5, 1882), and consequently was not available during the fiscal year. It will be observed that the expenditures for the fiscal year 1880-'81 were \$1,906.51 greater than for the last year, which was owing to the greater demand by postmasters for wrapping-paper, and a higher contract price for the article.

To meet the possible increase in the price of wrapping-paper, and to provide for the additional demand, especially for properly preparing packages of registered matter and merchandise for mailing, I have estimated the appropriation requisite for the fiscal year ending June 30, 1884, at \$25,000, or the same as the total amount granted last year, and an increase of 13.63 per cent. over the present appropriation.

WRAPPING-TWINE.

The following were the estimates, appropriations, and expenditures for this item during the two past fiscal years:

	1880-'81.	1881-'82.	Decrease.
Estimates	\$50,000 00	\$55,000 00	<i>Per cent.</i>
Appropriations.....	55,000 00	55,000 00	.....
Expenditures.....	84,603 38	52,754 64	37.64

The appropriation for the present fiscal year is \$55,000, or the same as for the preceding year. It is also an increase of 4.25 per cent. over the expenditures for this article for the last fiscal year. It will be noticed that the expenditures for the year ended June 30, 1881, were \$31,848.74, or 60.37 per cent. in excess of those for the past year. This was mainly due to the high contract price of the article as compared with previous years. Hence it will be seen that an estimate cannot easily be made for a commodity which is so liable to fluctuate in value, but I submit the same estimate for the year ending June 30, 1884, as for the last year, \$55,000, in the hope that it will be sufficient to cover all contingencies. This amount is the same as the appropriation for the present year.

MARKING AND RATING STAMPS.

The estimates, appropriations, and expenditures for these articles for the past two fiscal years were as follows:

	1880-'81.	1881-'82.	Increase.
Estimates	\$15,000 00	\$15,000 00	
Appropriations.....	15,000 00	15,000 00	
Expenditures.....	15,420 00	14,744 00	676 00

The appropriation for these items for the current fiscal year is the same as for the last one, \$15,000, and exceeds the expenditures for the past year in the sum of only \$855.70.

The expenditures for the fiscal year just closed were but \$644.80 greater than those for the year previous. It will therefore be perceived that the recent appropriations for the above articles have not been at all extravagant.

I have estimated the appropriation necessary for these items for the fiscal year ending June 30, 1884, at \$25,000, an increase of \$10,000, or 66 $\frac{2}{3}$ per cent. over that for the present year; and have done so for the following reasons:

By the postal regulations it is necessary that the gross receipts of a post-office should be \$50 per annum to entitle it to receive a letter balance and a marking and rating stamp at the expense of the department. This regulation has been productive of much inconvenience both to the postmaster and the public, and has undoubtedly been the cause of considerable loss of revenue to the department, from the failure of the postmaster to properly weigh, rate up, and cancel the postage-stamps upon the mailable matter deposited in his office. The number of post-offices so deprived of these facilities for postal business is estimated at 10,000, and at these offices such stamps as are used have been paid for by the postmaster.

The Postmaster-General having called the attention of Congress to this matter, an appropriation of \$35,000 was made at the last session for the purpose of partially remedying it, and already under the law about 800 fourth-class offices have been supplied "with the necessary implements for canceling stamps and weighing and post-marking mail matter," the limit being the value of \$5 to each office. Itemized this expense is about as follows:

Scales.....	\$2 80
Stamp.....	79
Pad.....	60
Ink.....	40
Total.....	4 59

The above appropriation for this purpose will therefore supply about 7,000 post-offices, and it is with a view of furnishing the remaining 3,000 with these implements, and also supplying all new offices with these materials, that the increase of \$10,000 is in part asked for. Postmasters at many of the larger offices also frequently request to be furnished with new marking and rating stamps, in consequence of the old ones having become damaged or inaccurate. Ordinarily these stamps have to be renewed in all offices after from two to four years' use.

The following were the estimates, appropriations, and expenditures for these items for the two past fiscal years:

	1880-'81.	1881-'82.	Increase.
			<i>Per cent.</i>
Estimates.....	\$10,000 00	\$10,000 00	.....
Appropriations.....	8,000 00	10,000 00	25.00
Expenditures.....	7,997 80	10,000 00	25.03

The appropriation for these articles for the current fiscal year is \$15,000, or 50 per cent. more than for the previous one, and it is likewise 50 per cent. more than the expenditures for the past year, which exceeded those of the fiscal year 1880-'81 in the sum of \$2,002.20, or 25.03 per cent.

In my remarks above in connection with a largely increased estimate for the articles of marking and rating stamps, I have substantially assigned reasons why a much larger appropriation should also be made for letter-balances, scales, and test-weights. I therefore consider further explanation unnecessary for submitting an estimate of \$25,000 for these items. This is an increase of \$10,000, or 66 $\frac{2}{3}$ per cent. over the present

appropriation, and, in my opinion, is fully justified by the benefit expected to be conferred upon the department if it shall be given.

INK FOR STAMPING AND CANCELING PURPOSES.

This item has not been before included in the regular estimates.

In pursuance of the policy adopted at the last session of Congress with reference to fourth-class offices, alluded to above in my estimate for marking and rating stamps, I am of the opinion that it should hereafter be annually mentioned as necessary. In order, therefore, that post-offices now denied this article at departmental expense may be supplied therewith, I have to suggest that \$10,000 be asked for this item for the next fiscal year.

In this connection I desire to say, that of the many articles used by postmasters in the transaction of their business, none is of comparatively more value in its relations to the revenue of the department than ink for stamping and canceling purposes. Unless it is of superior quality, and uniformly used, many irregularities must occur in postal matters, and the proceeds of the sales of many stamps must be neutralized by their imperfect cancellation. I am aware that the matter of procuring an ink suitable in color, and at the same time indelible, and furnishing it without expense to all postmasters for use in their postal business, has been many times under consideration by the department. Postmasters at first and second class offices have found it absolutely necessary to use the best quality of ink they could procure, and their returns for the expense of the same have been made and allowed in their quarterly accounts. Postmasters at many other offices have been in the habit of furnishing, at their own expense, stamping ink of various colors and grades, which in many instances have not proved at all suitable for the purpose. Under these circumstances I consider that if Congress would give its attention to this matter and authorize the Postmaster-General to expend a suitable amount of money for the purchase of a proper ink for canceling purposes, to be used in all post-offices, such action would be of inestimable benefit to the department. I hope that you will take occasion to recommend that this be done.

PADS FOR STAMPING AND CANCELING PURPOSES.

This item has not before been estimated for in the usual manner. The provision made for their purchase at fourth-class offices, referred to under the head of marking and rating stamps, necessitates an estimate for them for the next fiscal year. I suggest that \$10,000 be appropriated for these articles, as they are a necessary accompaniment wherever stamping-ink is used for canceling purposes.

DEPARTMENTAL PRINTING, BINDING, ETC.

The estimate for this item for the next fiscal year has been prepared in this office, and forwarded by the Postmaster-General to the Secretary of the Treasury, in accordance with the previous practice.

DEPARTMENTAL STATIONERY.

The estimate for this item has been prepared, and will be addressed, according to custom, to the Postmaster-General, who will include it in the statement to be submitted by him relative to estimates for other departmental expenses for the next fiscal year.

The aggregate of the above estimate is, as before stated, \$19,369,091.25, which is \$2,227,091.25, or 12.99 per cent., more than the appropriations for the current fiscal year.

A tabular statement, marked E, will be found appended to these estimates, giving further information in regard to them.

SUMMARY.

Estimate for 1881-'82, \$15,135,000.

Estimate for 1882-'83, \$16,777,000; increase, \$1,642,000, or 10.80 per cent.

Estimate for 1883-'84, \$19,369,091.25; increase, \$2,592,091.25, or 15.45 per cent.

Appropriation for 1881-'82, \$16,257,206.88.

Appropriations for 1882-'83, \$17,142,000; increase, \$884,793.12, or 5.44 per cent.

Expenditures for 1880-'81, \$15,138,650.66.

Expenditures for 1881-'82, \$16,141,035.31; increase, \$1,002,384.65, or 662 per cent.

In closing the above statement, it is proper to say that unless the original appropriations for the past fiscal year had been, in some instances, considerably increased by subsequent legislation during the last session of Congress, the postal business, so far as the allowances of this bureau for the service are concerned, could not have been conducted so satisfactorily as it has been. I hope that an equally liberal spirit will be manifested by Congress in the consideration of the present estimates, and that there will be no hesitation among the members of that body in doing all that seems reasonable and proper to aid in promoting the efficiency of the postal service by granting the enlarged appropriation asked for.

Very respectfully,

FRANK HATTON,

First Assistant Postmaster-General.

Hon. T. O. HOWE,

Postmaster-General.

REPORT OF THE SECOND ASSISTANT POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
OFFICE OF THE SECOND ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., October 20, 1882.

SIR: The cost of inland transportation June 30, 1882, was:

Of 1,389 railroad routes, aggregating 100,563 miles	\$12,753,184
Of 109 steamboat routes, aggregating 15,434 miles	574,019
Of 10,797 star routes, aggregating 227,621 miles	5,553,849
Total cost	18,881,052

Comparison with the last annual statement shows, for the railroad service an increase of 195 routes, of 8,994 miles, and of \$1,139,816 in annual cost; for the steamboat service, a decrease of 17 routes, of 5,704 miles, and of \$179,148 in annual cost; for the star service, an increase of 525 routes, a decrease of 3,678 miles upon contract prices and annual salaries, irrespective of fines and deductions; hence the apparent discrepancy between those tables and the Auditor's statement.

STAR SERVICE.

In my preceding report the orders reducing the star service were stated to June 30, 1881, and since that date the following reductions have been made: July, 1881, \$384,397; August, \$122,647; September, \$111,056; October, \$83,451; November, \$145,327; December, \$210,831; January, 1882, \$67,539; February, \$15,012; March, \$41,629; April, \$16,988; May, \$7,963; and June, \$39,059. Total, \$1,275,899.

During the same period the increase of service was as follows: July, 1881, \$57,593; August, \$38,943; September, \$33,269; October, \$54,792; November, \$34,172; December, \$38,881; January, 1882, \$61,538; February, \$14,684; March, \$30,336; April, \$29,504; May, \$13,224; June, \$24,157. Total, \$411,093.

Aggregate decrease.....	\$1,275,899
Aggregate increase.....	411,093
Net decrease.....	\$864,806

In all cases, to determine the proper measure of increase or decrease of service,

THE PRODUCTIVENESS OF THE ROUTES

is one of the standards by which the postal necessities of the people are considered, and in the endeavor to supply all communities with adequate facilities the gauge of revenue to assist in determining the frequency and cost of service is relaxed in respect to the extreme western section of the country. In that section, in many cases, to supply offices of the same grade as those in the Eastern States, the cost of an equal number of trips per week is greater on account of the increase of distance and the comparative difficulty of traversing the routes, and the same principle is observed with regard to portions of the southern section of the country, the tests applied to northern routes not being closely adhered to, because of the greater area over which the population to be supplied is distributed.

The element of revenue, derived from the post-offices to be supplied, controlled in the preparation of the advertisements of October 15, 1881, and March 1, 1882, for

SERVICE GOING INTO OPERATION JULY 1, 1882,

in the States of Arkansas, Louisiana, Texas, Kansas, Nebraska, Colorado, Nevada, California, and Oregon, and the Territories of Dakota, Indian, Montana, Wyoming, Washington, Idaho, Utah, Arizona, and New Mexico. In these States and Territories the routes were uniformly advertised on schedules which, it is believed, will meet all requirements without resorting to orders of expedition. In the process of readjustment, certain large routes were divided into smaller ones, and thus opened to a less restricted competition, while by changing the termini, a saving of distance and cost has been obtained.

The following table illustrates the change in this Pacific section by the readjustment:

		TRANSPORTATION.		Miles.
Louisiana				
Texas				
Indian Territory	June 30, 1881			28,078,319
Kansas	July 1, 1882			25,797,746
Nebraska				
Dakota		Decrease 8.12 per cent., or		2,280,573
Montana				
		COST.		
Wyoming				
Colorado	June 30, 1881			\$4,019,824
New Mexico	July 1, 1882			2,018,635
Arizona				
Utah		Decrease 49.78 per cent., or		2,001,189
Idaho				
Washington				
		COST PER MILE.		
Oregon				
Nevada	June 30, 1881			\$0 14.32
California	July 1, 1882			7.82

A fair

COMPARISON OF COST OF STAR SERVICE,

under old and new contracts, can be made by the table which follows; and while it will be observed that in some cases the routes are not changed under new contracts, there are in others slight increases or decreases, either in distance, speed, or the number of trips; but in every instance a decrease in the amount of compensation:

Number of route.	Termini of route.	Under old contracts, as increased.				Under new contracts, from July 1, 1882.				
		Miles.	Trips.	Hours.	Annual pay.	Miles.	Trips.	Hours.	Annual pay.	
30183	Monroe to Shreveport	122	7	36	\$22,367 00	110	7	27½	\$11,800 00	
31146	Rio Grande City to Laredo	121	6	22	8,439 00	105	6	21	4,891 00	
31168	Austin to Fort Concho	249	7	48	28,600 00	249	6	48	11,700 00	
31454	Abilene to Fort Concho	94	7	29½	19,709 00	94	6	24	4,247 00	
32018	Caldwell to Fort Sill	189½	6	36	34,200 00	189½	6	36	8,900 00	
32020	Camp Supply to Dodge City	94	6	20	5,707 00	94	6	20	2,283 00	
32021	Camp Supply to Mobeetie	94	6	20	12,300 00	94	6	20	4,435 00	
32273	Hutchinson to Medicine Lodge	{ 39 6 8 45 3 10½			5,824 00	{ 39 6 8 45 3 9½			1,790 00	
36107	Bozeman to Miles City	328	7	84	76,999 95	328	7	94	21,000 00	
36115	Helena to Missoula	151	7	37	18,739 58	50	6	12	1,900 00	
36124	Silver Bow to Deer Lodge	36	7	7	4,305 56	127	7	30	4,900 00	
38146	Del Norte to Ouray	230	7-3	52	36,296 53	216	7	74	19,210 00	
38155	Antelope Springs to Silverton	63	7	21	13,253 33	63	3	24	3,510 00	
39104	Socorro to Fort Stanton	120	7	29	16,770 16	120	7	29	5,620 00	
40103	Prescott to Mohave City	190	3	36	28,697 15	190	3	60	8,420 00	
40105	Ehrenberg to Signal	126	3	22	9,119 42	126	3	26	5,994 00	
40109	Florence to McMillan	125	7	30	17,569 89	125	7	30	8,900 00	
40116	Phoenix to Prescott	105	7	26	32,640 32	136	7	35	9,500 00	
40122	Ritchfield to Kanab	205	6	36	14,340 00	205	3-6	45	5,460 00	
42121	Lava to Salmon City	135	7	33	19,345 45	100	7	28	4,700 00	
44149	Roseburg to Empire City	72	6	27	13,775 00	72	6	30	5,770 00	
45101	Reno to Susanville	92	6	27	11,752 85	92	6	27	4,630 00	
45114	Winnemucca to Paradise Valley	45	7	9	5,280 00	45	7	9	2,620 00	
45132	Wells to Hamilton	{ 100 3½ 106 1	48		16,883 82	{ 100 3 106 2½	60		5,790 00	
46120	Soledad to Newhall	332	7	53	55,424 33	323	7	69	20,280 00	
46132	Julian to Colton	121	3	26	8,910 00	121	3	30	3,488 00	
46245	Redding to Weaverville	46	7	9	6,066 66	46	7	9½	2,900 00	
46246	Redding to Roseburg	280	10½	67	89,000 00	280	7	69	48,220 00	
46263	Yreka to Shasta	122	6	27	19,359 99	122	6	27	8,700 00	
46136	Caliente to Independence	226	6	40	36,284 33	226	6	40	21,000 00	
46267	Willow Ranch to Reno	212	6	60	41,100 00	172½	6	72	11,328 00	
					729,060 32					283,876 00

As further illustrating the reduction in cost under the advertisement referred to, a table follows, showing cost under old contracts after increase

of trips and expedition of schedules, cost after orders reducing service, and compensation under the awards of new contracts at the last letting:

Number of route.	Termini of route.	Under old contracts as increased.				Under old contracts as reduced since March 4, 1881.				Under new contracts from July 1, 1882.				
		Miles.	Trips.	Hours.	Annual pay.	Miles.	Trips.	Hours.	Annual pay.	Miles.	Trips.	Hours.	Annual pay.	
37110	Rock Creek to Fort Custer . . .	351	7	75	\$100,165 83 397	3107			\$11,602 41 293	3108			\$13,670 00	
38113	Rawlins to Meeker . . .	165	7	45	31,981 25 165	3168			5,100 00 165	3159			7,320 00	
38118	Monument to River Bend . . .	72	7	17	11,200 00 43	3139			1,125 00 45	3112			1,932 00	
38131	Salida to Del Norte . . .	84	7	17	17,347 06 56	715			4,759 43 72	714			6,600 00	
38134	Pueblo to Rosita . . .	50	7	19	8,148 00				(?)					
38135	Pueblo to Greenhorn . . .	32	3	7	3,935 00 32	310			1,315 29 39	316			460 00	
38140	Trinidad to Madison . . .	68	3	12	4,290 00 45	313			1,614 00 50	313			960 00	
38150	Saguache to Barnum . . .	31	7	18	7,166 00 22	7319			1,434 25 24	716			920 00	
38156	Silverton to Parrott City . . .	60	6	15	14,870 01 60	610			3,000 70 72	615			4,240 00	
38157	Gardner to Rosita . . .	52	6	19	3,926 67 52	313			1,903 30 12	313			1,408 00	
38145	Ojo Caliente to Animas City . . .	174	7	59	31,001 70 74	3142			5,115 98 78	3124			2,870 00	
39109	Las Vegas to Las Cruces . . .	434	3	126	39,090 72 424	3189			17,214 17 343	3165			19,180 00	
39116	La Cinto to Raton . . .	168	3	41	14,384 42 118	3174			3,275 02 116	3136			4,230 00	
4101	Prescott to Santa Fe . . .	116	6	84	105,001 75 171	315			8,388 00 171	315			7,220 00	
40105	Ehrenberg to Mineral Park . . .	237	3	48	18,600 00 132	3120			9,119 12 128	310			5,094 00	
41113	Wilcox to Clifton . . .	167	7	34	27,913 04 36	317			3,987 05 167	310			3,000 00	
41140	Eugene City to Mitchell . . .	135	3	59	21,460 80 165	3121			2,244 11 15	1123			1,902 00	
44154	The Dalles to Lake View . . .	297	6	198	29,300 00 174	1188			4,308 06 197	3119			4,900 00	
44155	The Dalles to Baker City . . .	275	7	12	72,520 00 275	3120			12,432 00 268	3101			7,700 00	
44160	Canyon City to Fort McDermott . . .	240	7	99	30,166 06 75	141			902 50 75	136			1,244 00	
46213	Cloverdale to Eureka . . .	210	7	53	43,414 88 210	7184			23,500 00 210	7105			2,965 00	
					647,638 06					121,361 30				97,194 00

* Discontinued.

It will be observed that

THE DECREASE OF COST

of the several routes under the letting, from the rates paid for the same or nearly similar service after the orders of reduction, completely refutes the allegation that was frequently made by contractors, when opposing curtailments, that the orders would compel them to transport the mails at an actual loss.

The exact reduction of expense under the readjustment of the routes in the Pacific section is properly the subject of the succeeding report, although it is made apparent now in a foregoing table and in the diminished estimate for the star service for the next fiscal year.

The rate of expenditure on star routes on June 30, 1882, was \$5,553,849, a decrease of \$1,403,506 compared with the cost rate at the close of the previous year. A portion of this reduction is due to extension of railroad service, and, as stated in my previous report, a portion of the orders that augmented this saving were made in the prior fiscal year, and, taking effect in the subsequent year, are of necessity embraced in the amount given above.

NEEDED LEGISLATION.

In my former report it was suggested that statutes should be enacted repealing section 3953 of the Revised Statutes requiring deposits of certified checks with proposals for carrying the mails; authorizing extension of service on star routes; and prescribing penalties to be imposed upon postmasters or employees for making false reports of arrivals and departures of the mails. I also made special recommendation during the last session of Congress for the repeal of section 3961 of the Revised Statutes and the proviso of the second section of the act of April 7, 1880,

relative to the rate of compensation to be allowed for expedition in carrying the mails, and a further recommendation was made respecting the rate to be fixed for employing temporary mail service. A draught of a subcontract law was also submitted. But a portion of the recommendations were reached during the session, and only the suggestions relating to extension of routes and the rate for temporary service were adopted. In regard to the subcontract law a substitute for the draught referred to was enacted.

In another part of this report I have given, for the purpose of reference and record, a table (F) of

ORDERS OF EXPEDITION

from January 1, 1872, to April 30, 1881, since which last date no orders expediting star service have been made.

Upon the basis of expenditure for star service, June 30, 1882, already stated at \$5,553,849, the estimate for all new service and necessary increases under present contracts to June 30, 1884, can, with the service now in operation, be provided for with an appropriation of \$5,500,000, and this amount is accordingly recommended. It is estimated also that at the close of the present fiscal year there will be covered into the Treasury an unexpended balance of \$2,250,000 on account of reduction of star service.

STEAMBOAT SERVICE.

Since my former report, changes were made in the steamboat service as follows: By orders of reduction in July, 1881, \$4,962; August, \$15,333; September, \$19,377; October, \$12,200; November, \$159; December, \$8,460; January, 1882, \$0; February, \$0; March, \$2,121; April, \$27,186; May, \$0; and June, \$900; total, \$90,698.

During the same period orders were made increasing the cost as follows: July, \$17,102; August, \$700; September, \$33,686; October, \$5,081; November, \$0; December, \$0; January, \$21,506; February, \$600; March, \$25,994; April, \$3,640; May, \$2,425, and June, \$2,000; total, \$112,734, being a net increase in cost during the year of \$22,036.

Of the increase in July the sum of \$10,000 made possible a saving of \$37,000, which was included in the gross reduction of steamboat service for the preceding year. Of the increase in September the sum of \$22,036 represents, not an actual increase, but routes on which contract service expired June 30, 1881, and which were not renewed under contract until September 1, the service in the mean time having been continued under orders of recognition at the rate named. Of the increase in January and March service at the rate of \$30,000 per annum was ordered and continued only during the overflow of the Mississippi River and its lower tributaries, which afforded all necessary facilities that were applied for by the people in the submerged districts.

The rate of expenditure for steamboat service at the close of the fiscal year ending June 30, 1882, was \$574,019, a decrease compared with the cost for the previous year of \$179,148. A portion of this decrease is applicable to orders made prior to the beginning of the last fiscal year.

The estimate for steamboat service for the year ending June 30, 1884, is submitted at \$700,000, being a decrease of \$100,000 from the present appropriation. About \$150,000 will be covered into the Treasury as an unexpended balance of the steamboat service appropriation for the current fiscal year.

MAIL MESSENGERS.

The rate of expenditure for mail-messenger service for the fiscal year ended June 30, 1882, was \$724,207, or \$7.20 per mile on 100,563 miles of railroad service.

Upon the above basis of cost per mile of railroad service the estimate for mail messengers for the fiscal year ending June 30, 1884, is given at \$850,000.

MAIL TRANSFERS IN LARGE CITIES.

I desire to call your special attention to the appended report and estimate of Mr. D. B. Parker, chief inspector, in which he suggests that the work of transferring the mails between the post-offices, depots, and wharves in the cities of Boston, New York, Philadelphia, Washington, and Chicago, be performed with an equipment to be owned and operated by the government. The transfer service in the great cities is, as it were, a vital point in the matter of mail transportation. The competition in bidding has brought the compensation for performing this important service so low that total failures have resulted in some cases, while in others the equipment is managed so economically that the efficiency of the service is impaired. It is believed that the plan proposed would not increase the cost; that it would give additional security to the mails, and afford the most efficient and acceptable transfer service that could be performed. Mr. Parker's long experience, as chief inspector, with this class of service, gives to his views the weight and importance which the able conduct of the affairs of his office warrants, and after careful consideration I earnestly commend his suggestion to your notice.

MAIL EQUIPMENTS.

The cost of new mail bags and mail catchers and repair of old ones for the year ending June 30, 1882, was \$198,380.88; and for new mail locks and repair of old ones, \$24,909.50. The appropriations for that year were, for the first two items, \$200,000, and for the last item \$25,000. It will therefore be seen that the necessities of the service required the expenditure of the entire amounts appropriated. The amounts which it is necessary to appropriate for these objects for the year ending June 30, 1884, are as follows:

For mail bags and mail catchers.....	\$200,000
Mail locks and keys.....	25,000

The reason for the increased estimate for mail bags and catchers is found in the very rapid extension of the railroad system, and the more frequent forwarding of pouches on railroad routes, and the large number of post-offices established on such lines.

For these reasons, which apply with more force to the transactions of the current year than was anticipated when the estimates were made, it is probable that the appropriations for this fiscal year may be found to be inadequate.

Table N shows expenditures for mail bags and mail catchers.

Table O shows expenditures for mail locks.

Table P shows all contracts for above items, with price, &c., in operation June 30, 1882.

SPECIAL FACILITIES.

The appropriation for special facilities on the great lines for the current year is \$600,000. I would suggest that a like sum be provided

for 1884, as it is not clear that serious injury would not result to the public if the service secured by this expenditure were discontinued.

RAILWAY POSTAL CLERKS.

The appropriation for railway postal clerks for the current year is \$3,710,000. The average increase for this item for the past six years has been at the rate of 7.20 per cent. per annum, and estimating the cost for 1884 at the same rate of increase, will make the sum required \$3,977,120. The particulars with regard to this item will be found in the report of the General Superintendent of Railway Mail Service.

FINES AND DEDUCTIONS.

The amount withheld from all branches of the service on account of fines and deductions for the year ending June 30, 1882, was \$192,230.25.

This sum is not so great as was shown for the two years last preceding. The shrinkage is attributable mainly to two causes, one of which is that the most expensive of the star service, which was performed in a section of the country particularly liable to interruption from various causes, and from which a large portion of the fines were derived, nearly all ceased in 1881; the other cause of the reduction, the rigorous winter of 1880-'81, was followed by an unusually mild winter, in which there were few failures on account of the weather. The amount deducted is, however, more than the average, and more than was ever deducted in any one year prior to 1880.

RAILROAD SERVICE—GENERAL STATEMENT.

<i>First.</i> Cost of all transportation, on which rates have been adjusted, to	
June 30, 1882, by books of the Post-Office Department	\$11,297,333
Cost of same June 30, 1881.....	10,249,261
Increase for 1882 over 1881	1,048,072
Rate of increase 10.23 per cent.	
Unadjusted service June 30, 1882, 8,449 miles.	
<i>Second.</i> Cost to June 30, 1882, Auditor's statement	\$10,248,515
Appropriation for 1882	9,458,200
Excess of cost over appropriation	790,315
Rate of increase of cost over appropriation, 8.35 per cent.	
Unadjusted service for year ending June 30, 1882, 3,464 miles; estimated cost	125,000
Total.....	915,315
Rate of increase of audited cost and estimate over appropriation for 1882, 9.67 per cent.	
<i>Third.</i> Cost by Auditor's statement on Pacific roads to June 30, 1882.....	\$1,376,929
Cost of same to June 30, 1881	961,977
Increase for 1882 over 1881.....	414,952
Rate of increase 43 per cent.	
<i>Fourth.</i> Appropriation for 1883	\$11,130,000
Audited cost and estimate for 1882	10,373,515
Excess of appropriation.....	756,485
Rate of increase 7.29 per cent.	

ESTIMATE FOR 1884.

For reasons stated in the last annual report the estimate of the cost of railroad transportation for the current fiscal year was placed at a lower rate of increase than is shown between the cost for the two preceding years. The service in the Pacific States, in which nearly all the

routes are located on which the pay is withheld on account of indebtedness to the government, having been adjusted for the new contract term commencing July 1, 1882, the estimate for the ensuing fiscal year will, as usual, be based upon the cost for the year ending June 30, 1882, and the probability of increase in the weight of mails and miles of road to June 30, 1884. The increase in mileage for the last year was 8,994 miles, or 8.9 per cent. increase over the mileage for the previous year. This is the greatest increase in the length of railroad routes ever made in any one year, and is greater than the entire railroad service in operation in 1851. The indications are that there will be not less than 10,000 miles added during the current year, and as much more for 1884.

The regular adjustment of pay from July 1, 1883, will fall in the contract section composed of the States of Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Missouri. In these States the weighing will doubtless show a large increase in the weight of mails, and this will require a corresponding increase in the rates of pay. In arriving at the amount that will be required for railroad transportation for the year ending June 30, 1884, the appropriation for 1883, \$11,130,000, is accepted as the sum nearest to that which will be needed, and adding thereto \$870,000 for new service and for increase of pay on old routes through readjustment, and a total of \$12,000,000 is reached, which is about 8 per cent. (7.81) over the appropriation for 1883, and a little more than 14 per cent. over the audited cost, and the estimate for new service for the year ending June 30, 1882. The estimated rate of increase is less than is shown for 1882 over 1881, but it is believed that it will be sufficient, as it is probable that the percentage of increase in cost will be somewhat reduced as the aggregate mileage is enlarged.

PACIFIC RAILROADS.

The relations existing between the Pacific Railroad Companies indebted to the United States and the government, in the matter of the withholding of all amounts earned in the transportation of mails over their own and leased and operated lines, and placing the same to their credit, has occasioned much controversy and resulted in numerous suits in the Court of Claims and the Supreme Court. This state of affairs has placed the Post Office Department at some disadvantage in its efforts to secure from these companies the most efficient postal service possible.

The mails are supplied to the people of a very large section of country west of the Missouri River by these lines, and hence the desirability of maintaining amicable relations with the companies controlling this system of roads.

ESTIMATE FOR RAILWAY POST-OFFICE CARS.

The increase in the work of distribution on railroad routes is in keeping with the increase in the weight of mails, and in the number of places reached by railroad, but the use of railway post office cars being restricted to the lines on which the heavier mails are carried, the increased expenditure for the same is restricted to a lower rate than is required in other branches of the service.

The appropriation for the current year is \$1,526,000. The increased cost for 1882 was \$100,000. It is believed that the service can be conducted for 1884 for \$1,626,000, which is the same total increase as is shown for 1882 over 1881.

EXTENSION OF THE RAILROAD SYSTEM.

Table M shows the mileage, annual transportation, and cost of railroad service for each year, from its commencement in 1836 to June 30, 1882. It is interesting to note that the degree of public prosperity is reflected in the construction of railroads. There was a steady increase in mileage from 1866 to 1872, reaching in the year last given 8,000 miles; then, with the depression in business that followed, it declined from year to year until, in 1877, it touched the minimum—2,200 miles. With the settlement of the financial question and the advance of business, it again steadily increased to 9,000 miles for the fiscal year just closed, which is the greatest number of miles of service ever established in one year.

Table L gives the new service for 1882 in detail. The most important connections established during the year, of a national character, are the Texas Pacific Line through Texas, New Mexico, and Arizona, to California, and the junction with the railroad system of Mexico at Laredo, Texas. The last is a most important event, as a matter of interest to the business people, as it opens a convenient channel of quick intercourse with Mexico, thus presenting a new and promising field for the exercise of the intelligent enterprise of the people of the United States.

RATES OF PAY TO RAILROADS.

The experience of the past year has confirmed this office in the views expressed in the last annual report concerning the rates of compensation prescribed by present laws for carrying the mails on railroads.

Allusions were frequently made during the past winter to a public sentiment which, it was alleged, demanded an increase of pay on some lines, but, at the same time, a reduction in the total cost of carrying the mails on railroad routes.

Public opinion, upon questions which may properly be determined by opinion, ought to prevail. This, however, is an instance in which opinion can be intelligently exercised only after a knowledge of the service rendered in carrying the mails and the compensation paid for the same is obtained through an analysis of the facts, and these contrasted with other transportation service and charges.

Because all will admit that the postal service rendered by the railroad companies is of the highest value to the people, and the amount and character of the service in every case may be accurately ascertained and stated, so that a basis would thus be established, resting upon material and indisputable facts, from which a comparison could be made between the postal and other business of the railroad companies; hence the subject should be approached, not with the settled intention of increasing the rate of pay on one class of roads and depressing it on others, nor of increasing or reducing the total cost of service, but it should be considered in a spirit of impartiality and with a determination to fix the compensation at such rates as the facts may warrant.

The annual increase in the cost of railroad transportation has no bearing whatever on the question as to proper rates of compensation, for, upon reflection, it will appear that the rates of pay and total cost must increase under the present or any other method or scale of payment that may be devised, in keeping with the extension of the system, the growth of the mails, and the increase in the facilities employed for the use and necessary care of the mail in transit.

The value of the postal service between the great railroad centers has grown to such magnitude and importance that the problem of shorten-

ing the time of transit between such points will have to be solved at no distant day, and this will doubtless furnish an interesting feature when the question of pay is determined.

There is now more than 100,000 miles of railroad service in operation, reaching into every State and Territory of the Union, furnishing, as it were, the arteries through which a population of fifty millions, dispersed over this vast territory, is supplied with mails. The conditions under which the postal service in the United States is performed, are essentially unlike those under which such service is rendered in the densely populated countries of Europe. Therefore, for the United States, precedents must be established, not followed.

In executing the present law it has become clear to me that under its insufficient provisions an unnecessary expenditure of public money might be made for carrying the mails on railroad routes. Therefore, having in view the large annual expenditure for this branch of the service, I cannot too strongly urge the great importance of at once perfecting the present crude and incomplete laws, so that an uncalled for expenditure would be rendered impossible.

Very respectfully,

RICHD A. ELMER,
Second Assistant Postmaster-General.

Hon. T. O. HOWE,
Postmaster-General.

ADDENDUM.

Table A exhibits cost, appropriation, and estimates.

Table B shows length of routes, annual transportation, and cost in the several classes of inland mail service.

Table C is a statement of the railway mail service.

Table D is a statement of the steamboat service.

Table E shows the increase and decrease in transportation and cost.

Table F is a statement of star service expedited from January 1, 1872, to April 30, 1881.

Table G shows weight of mails, speed, and accommodations for mails and agents on railroad routes, with an index.

Table H shows the readjustment of pay on railroad routes, with an index.

Table I shows the rate of pay for railway post-office cars, with increase and decrease since last annual report.

Table K states expenditures for necessary and special facilities on trunk lines.

Table L is a statement of railroad service established since last annual report.

Table M shows the growth of railway mail service from 1836 to 1882.

Table N is a statement of all contracts for mail equipments and use of patents.

Table O is a statement of expenditures for certain mail equipments.

Table P is a statement of expenditures for mail-boxes.

A.—*Inland transportation, June 30, 1892.—Cost, appropriation, estimates, and rate of increase and decrease.*

Object.	Cost for 1881.	Cost for 1882.	Increase or decrease per cent. in cost for 1882 as to cost for 1881.		Appropriation for 1883.	Increase or decrease per cent. in appropriation for 1883 as to cost for 1882.		Estimate for 1884.	Increase or decrease per cent. as to appropriation for 1883.	
			Increase.	Decrease.		Increase.	Decrease.		Increase.	Decrease.
Inland transportation, railroad routes.....	\$10,249,261	\$11,297,333	10.23	.....	\$11,155,060	.....	1.26	\$12,000,000	7.58	.....
Railway post-office car service.....	1,364,107	1,455,851	6.73	.....	1,526,000	4.82	.....	1,626,000	6.55	.....
Necessary and special facilities on trunk lines.....	349,749	374,521	7.07	.....	600,000	60.20	.....	600,000	.....	.....
Inland transportation, steamboat routes.....	753,167	574,019	.....	23.78	800,000	20.36	.....	700,000	.....	12.50
Inland transportation, star routes.....	6,977,355	5,553,849	.....	20.17	7,950,000	30.54	.....	5,500,000	.....	24.13
Railway post-office clerks *.....	1,487,560	1,571,404	5.81	.....	1,700,000	7.98	.....	.....	.....	.....
Route agents *.....	1,266,780	1,322,336	4.39	.....	1,355,000	17.59	.....	3,977,120	7.20	.....
Mail-route messengers *.....	196,741	180,884	.....	3.49	290,000	47.46	.....	.....	.....	.....
Local agents *.....	157,720	140,229	.....	5.38	175,000	17.27	.....	.....	.....	.....
Mail messengers.....	763,341	729,207	.....	4.47	800,000	9.71	.....	850,000	6.25	.....
Mail locks and keys.....	100,000	25,000	.....	75.00	25,000	.....	.....	20,000	.....	20.00
Mail bags and mail-bag catchers.....	183,429	198,381	7.86	.....	200,000	.82	.....	220,000	10.00	.....
Miscellaneous items in the office of Second Assistant Postmaster-General.....	.....	480	.....	.....	1,000	.....	.....	1,000	.....	.....
Total.....	.....	.....	.....	.....	26,067,000	108.33	.....	25,494,120	.....	2.20

* Estimates for these items are made in one sum, as estimate for railway postal clerks.

NOTE.—No allowance is made in this table for fines and deductions.

B. — *Table of inland mail-service as in operation June 30, 1883.—Continued.*

States and Territories.	Length of routes.		Length of routes and annual cost in each class of service.				Annual transportation by celerity, certainty, and security.				Annual transportation by steamboat.		Annual transportation by railroad.		Total annual transportation.		Total annual cost.		
	Miles.	Dollars.	Miles.	Dollars.	By steamboat.	By railroad.	Annual pay for transportation.	Annual pay for office cars.	Total annual pay for railroad service.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.
Nebraska.....	9,101	6,601	126,574	2,500			471,431	64,649	536,080	1,845,966	1,791,073	3,636,969	602,654			3,636,969	602,654		
Dakota Territory.....	4,965	4,969	121,743	386			6,773		6,773	1,226,084	372,016	1,600,100	128,510			1,600,100	128,510		
Montana Territory.....	3,651	3,651	172,853							1,156,447			172,853				172,853		
Wyoming Territory.....	1,466	1,466	51,050							449,005			51,050				449,005		
Colorado.....	5,547	5,431	185,650	2,086			177,712	4,920	182,662	1,253,799	1,406,049	2,638,948	368,319			2,638,948	368,319		
New Mexico Territory.....	2,406	1,762	63,204	644			5,156		5,156	456,928	435,911	892,839	68,300			892,839	68,300		
Arizona Territory.....	2,998	2,531	174,557	497						865,662	291,346	1,157,028	174,557			1,157,028	174,557		
Utah Territory.....	3,564	2,691	189,413	893			31,252		31,252	1,260,706	631,461	1,892,161	230,065			1,892,161	230,065		
Idaho Territory.....	2,213	2,213	166,965							1,071,159			166,965			1,071,159	166,965		
Washington Territory.....	3,695	1,821	59,225	483			9,805		9,805	427,908	301,604	729,512	122,685			729,512	122,685		
Oregon.....	4,715	4,075	133,435	425			24,451		24,451	1,083,186	264,932	1,348,118	176,303			1,348,118	176,303		
Nevada.....	2,812	2,416	136,271	336			13,618		13,618	932,776	246,811	1,179,587	119,889			1,179,587	119,889		
California.....	13,039	9,030	569,382	2,814			432,424	53,769	486,193	3,570,647	2,607,386	6,178,033	1,094,464			6,178,033	1,094,464		
Total.....	343,618	227,621	5,553,849	109,563			11,297,333	1,455,851	12,753,184	70,924,867	113,995,318	194,901,703	18,881,052			194,901,703	18,881,052		
Railway post-office clerks.....													1,574,304				1,574,304		
Route-agents.....													1,322,306				1,322,306		
Mail-route messengers.....													189,884				189,884		
Local agents.....													149,229				149,229		
Mail messengers.....													729,207				729,207		
Aggregate.....													22,846,112				22,846,112		

NOTE.—No allowance is made in this table for fines and deductions.

TABLE M.—Statistics of mileage, increase in mileage, annual transportation, and cost of the railroad service, from 1836 to June 30, 1882.

Date.	Length of routes.	Annual transportation.	Cost per annum.	Increase in length of routes.	Decrease in length of routes.
	Miles.	Miles.		Miles.	Miles.
June 30, 1836.....		*1,878,296			
June 30, 1837.....	974	*1,799,674	*\$297,444		
June 30, 1838.....		*2,534,892	*404,123		
June 30, 1839.....		*3,380,605	*546,607		
June 30, 1840.....		*3,889,693	*595,353		
June 30, 1841.....		*3,946,450	*585,843		
June 30, 1842.....	3,091	*4,434,262	12,000	2,117	
June 30, 1843.....		*5,092,462	*758,687		
November 4, 1843.....	3,714	(*)	301,797	623	
June 30, 1844.....		*5,747,355	*822,006		
June 30, 1845.....		*6,484,592	*843,300		
October 31, 1845.....	4,092	(*)	37,709		
June 30, 1846.....		*7,781,828	*870,579		
November 1, 1846.....	4,462		387,769	370	
June 30, 1847.....		4,179,403	597,471		
November 1, 1847.....	4,735		597,923	565	
June 30, 1848.....		4,337,400	584,192		
October 1, 1848.....	4,957		597,203	222	
June 30, 1849.....	5,497	4,861,177	655,749	540	
June 30, 1850.....	6,886	6,524,366	818,227	1,389	
June 30, 1851.....	8,255	8,304,303	985,619	410	
June 30, 1852.....	10,146	11,082,768	1,275,520	1,891	
June 30, 1853.....	12,415	12,986,705	1,601,329	2,269	
June 30, 1854.....	14,440	15,447,089	1,758,010	2,025	
June 30, 1855.....	18,333	19,202,409	2,079,000	2,886	
June 30, 1856.....	20,323	21,809,296	2,319,389	1,900	
June 30, 1857.....	22,530	24,267,944	2,550,847	2,207	
June 30, 1858.....	24,431	25,769,452	2,828,791	1,901	
June 30, 1859.....	26,016	27,268,384	3,243,974	1,579	
June 30, 1860.....	27,129	27,653,749	3,540,692	1,119	
May 31, 1861.....	16,886	15,791,093	1978,910		6,886
June 30, 1861.....	22,018	23,116,893	2,543,769	1,775	
June 30, 1862.....	21,318	22,777,219	2,408,113		690
June 30, 1863.....	22,152	22,871,558	2,538,517	834	
June 30, 1864.....	22,616	23,301,942	2,597,644	464	
June 30, 1865.....	23,491	24,087,508	2,767,391	765	
June 30, 1866.....	32,092	30,609,467	4,391,332	8,601	
June 30, 1867.....	34,915	32,437,900	3,812,600	1,900	
June 30, 1868.....	36,018	34,886,178	4,177,126	2,001	
June 30, 1869.....	53,637	41,399,284	4,723,080	8,519	
June 30, 1870.....	43,727	47,551,970	5,128,001	4,364	
June 30, 1871.....	49,834	55,557,948	5,724,079	6,107	
June 30, 1872.....	57,911	62,469,749	6,000,711	8,077	
June 30, 1873.....	63,437	65,621,445	7,257,196	2,746	
June 30, 1874.....	67,734	72,460,545	9,113,190	4,277	
June 30, 1875.....	70,083	75,154,910	9,210,518	2,310	
June 30, 1876.....	72,348	77,741,172	9,347,134	2,200	
June 30, 1877.....	74,546	85,358,710	10,650,000	2,108	
June 30, 1878.....	77,129	92,120,395	9,700,000	2,574	
June 30, 1879.....	79,991	93,093,990	10,567,000	2,871	
June 30, 1880.....	85,329	96,497,401	10,900,000	5,309	
June 30, 1881.....	91,509	103,521,220	11,613,368	6,249	
June 30, 1882.....	100,563	113,995,318	12,700,184	8,054	

* Railroad and steamboat service combined; no separate report.

† Decrease caused by the discontinuance of service in the Southern States.

‡ Increase attributable in part to the resumption of service in the Southern States.

§ Decrease in cost caused by reductions in the rates of pay under act of July 12, 1876.

|| Decrease in cost caused by reductions in the rates of pay under act of June 17, 1878.

TABLE N.—Statement of all contracts for mail-bags, mail-catchers, mail-bag tags, mail-bag label-cases, fasteners, use of patents, and mail locks and keys, in operation June 30, 1882.

Articles contracted for.	Name of contractor.	Residence.	Term of contract.	Contract prices.					
				Size No. 0.	Size No. 1.	Size No. 2.	Size No. 3.	Size No. 4.	Size No. 5.
Cotton-canvas mail-sacks.....	John Boyle.....	New York, N. Y.....	Four years from January 1, 1881.....	\$1 15	\$1 02	\$0 80½	\$0 20		.....
Registered foreign mail-sacks.....	do.....	do.....	do.....	97	41½	24½	16		.....
Jute-canvas mail-sacks.....	do.....	do.....	do.....		67½	52½	14		.....
Leather horse-mail bags.....	J. C. Lighthouse.....	Rochester, N. Y.....	do.....		6 00	5 29	4 53		.....
Leather mail-pouches.....	do.....	do.....	do.....			5 61	4 55	\$3 50	\$2 60
Through registered mail-pouches.....	John Boyle.....	New York, N. Y.....	do.....			4 90			.....
Mail-catcher pouches.....	do.....	do.....	do.....				3 91		.....
Coin mail-sacks.....	do.....	do.....	do.....						\$0 05½
Printed wooden tags.....	John A. Plumley.....	Washington, D. C.....	One year from October 15, 1881.....						002½
Mail-bag label-cases (iron).....	Eagle Lock Company.....	Terryville, Conn.....	do.....						10
Mail-bag label-cases (brass).....	do.....	do.....	do.....						25
Mail-bag catchers.....	Younglove & Co.....	Cleveland, Ohio.....	Determinable at any time by the Postmaster-General.....						15 00
Sockets for catchers.....	do.....	do.....	do.....						40
Use of patent.....	Reckel & Horner.....	Muncie, Ind.....	do.....						30
Do.....	John Boyle.....	New York, N. Y.....	do.....						10
Do.....	George A. Sheridan.....	Washington, D. C.....	do.....						07
General mail locks.....	The Smith & Egge Manufacturing Co.....	Bridgeport, Conn.....	4, 8, or 12 years from Sept. 1, 1880, at option of Postmaster-General.....						52
Keys to same.....	do.....	do.....	do.....						09
Through mail locks.....	do.....	do.....	do.....						75
Keys to same.....	do.....	do.....	do.....						12
City mail-service locks.....	do.....	do.....	do.....						34
Keys to same.....	do.....	do.....	do.....						09
Street letter-box locks.....	do.....	do.....	do.....						85
Keys to same.....	do.....	do.....	do.....						15
Through registered mail-locks.....	W. F. Beasley.....	Oxford, N. C.....	do.....						2 50
Keys to same.....	do.....	do.....	do.....						25

TABLE O.—Statement of the number, description, and prices of mail-bags, mail-catchers, &c., purchased, and of the expense incurred on account thereof, during the fiscal year ended June 30, 1882.

Number.	Description.	Size.	Prices.	Cost.	Aggregate.
3,000	Leather mail-pouches	No. 2	\$5 61	\$16,830 00	
2,300	do	No. 3	4 55	10,465 00	
1,000	do	No. 4	3 50	3,500 00	
1,000	do	No. 5	2 00	2,000 00	
7,300					\$33,395 00
500	Through registered mail-pouches	No. 1	7 00	3,500 00	
500	do	No. 2	4 99	2,495 00	
	Royalty for patent applied to same	No. 2	10	50 00	
1,000					6,045 00
500	Mail-catcher pouches		3 91	1,955 00	
	Royalty for patent applied to same		10	50 00	
					2,005 00
1,100	Leather horse-mail bags	No. 1	6 00	6,600 00	
700	do	No. 2	5 39	3,763 00	
100	do	No. 3	4 53	453 00	
	Expenses of inspecting same			28 53	
1,900					10,784 53
80,000	Jute-canvas mail sacks	No. 1	67 1/2	54,200 00	
9,000	do	No. 3	14	1,260 00	
89,000					55,460 00
300	Cotton-canvas mail-sacks	No. 0	1 15	345 00	
500	do	No. 1	1 02	510 00	
500	do	No. 3	20	100 00	
1,300					955 00
500	Foreign registered mail-sacks	No. 1	41 1/2	207 50	
300	do	No. 2	24 1/2	122 50	
500	do	No. 3	16	80 00	
1,500					410 00
350,000	Printed wooden tags		600 1/2	816 67	
600,000	do		900 1/2	1,350 00	
					2,166 67
150,000	Tie-sack fasteners		10		29,500 00
20,000	Iron label-cases		10	2,000 00	
3,000	Brass label-cases		25	750 00	
					2,750 00
1,500	Sheets mail-bag label-cards		000		148 25
300	Mail-bag catchers	15 00		4,500 00	
169	Mail-bag catchers, repaired			166 74	
					4,666 74
	Repairs of mail-bags of every description				51,156 67
	Total expense on account of mail-bags and mail-catchers				138,380 88
	Unexpended balance of appropriation				1,619 12
	Amount of appropriation				200,000 00

TABLE P.—Statement of mail-locks purchased and repaired, and of the expense incurred on account thereof, during the year ended June 30, 1882.

Quantities.	Description.	Prices.	Cost.	Aggregate cost.
399	Iron mail-locks	30 1/2	\$12,142 1/2	
20,534	General mail-locks	7	15,000 00	
				\$15,500 50
20,000	Iron mail-locks, repaired	40	8,000 00	
4,000	Street letter-box locks, repaired	35	1,400 00	
				9,400 00
	Total expense for mail-locks			24,900 50
	Unexpended balance of appropriation			0
	Amount of appropriation			25,000 00

TRANSFER OF MAILS BETWEEN RAILROAD DEPOTS AND
POST-OFFICES IN THE LARGER CITIES.

POST-OFFICE DEPARTMENT,
OFFICE OF CHIEF POST-OFFICE INSPECTOR,
Washington, D. C., October 19, 1882.

SIR: I have the honor to recommend for your consideration a plan which involves a radical change in the transportation of mails in large cities, affecting the "transfer" and "local station" service.

As you are well aware, the present system of letting to the lowest bidder for four years a contract to perform the service of delivery of mails at the railroads and post-offices has caused and is causing the greatest embarrassment and confusion.

I hazard the assertion that the conclusion is a tenable one, that it is impossible to secure reliable and satisfactory service under the present plan, and that this is a service which vitally affects our entire postal system. Complete failures have recently occurred at important points, creating great confusion. The service at other important points is in the hands of contractors who are not adequately responsible, and who are running the service possibly at a loss, their bondsmen being sufficiently responsible to justify them in giving to the government such service only as will suffice to prevent the contractor from being declared "a failing contractor," which action would result in greater loss to them than to continue the service.

Under such circumstances it is obvious that the government is but poorly served.

The contractor's outfit is such as will barely answer the purpose. The cheapest men obtainable are employed, and are not always paid their wages. They are constantly being shifted and changed, and not paid enough to secure suitable men at the start.

They are indifferent and careless in the performance of their duties.

The mails in large cities are in charge of such contractors and drivers, and are unaccompanied by postal officials in many instances. The risk is very great, both as to loss and robbery, and also as to failures in the service, which result in detentions of whole wagon-loads of mail at a time, depriving whatever section of country is thus affected of that prompt communication which a more efficient service would afford.

Experience proves that under the present system irresponsible bidders are quite certain to obtain the contracts for such service. Expensive wagons of special pattern are required, and all bidders understand that at the end of the contract term their wagons will have no value for other purposes.

It is fair to assume, therefore, that a careful bidder would add in bidding an estimate of the entire cost of an outfit, so that the government has really to purchase the plant.

If the government were to provide the horses, wagons, and necessary materials to perform this service at, say, five leading cities where it is most important, reliable and efficient service would be secured at its prime cost, and I believe this is the only method by which reliable service can be secured and its proper performance guaranteed, or by which we can promise satisfactory results to any part of the postal service of the country, which all depends to a great extent upon this branch.

I therefore respectfully recommend that the necessary legislation be

asked for of Congress and that estimates of the cost be furnished. I would outline the following plan:

That the law authorize the appointment of an officer as superintendent of this service for all of the points included in the plan; that he be selected for his special fitness for such duties as may devolve upon him, and be required to give ample bonds as a disbursing officer.

That stables be rented and horses and wagons purchased under the same plan now pursued by the War Department in purchasing supplies after public advertisement; that the highest grade of animals and material be secured, so that the best of service may be guaranteed, and the outfits present an appearance creditable to the department and the government.

At each of the cities selected an assistant superintendent should be appointed who will have charge of this service in that city. Competent and thoroughly reliable drivers and employes should be hired and paid a fair compensation, taking perhaps as a guide in this respect the organization of the best express-company service.

The regulations and rules governing the purchase of feed and supplies can easily be established, so that the interests of the government shall be protected and the best results secured.

I will present to you at the proper time statistics showing the number of animals, wagons, employes, &c., in use by contractors at each of the points where you may decide to recommend the adoption of such new service, together with an estimate of what would be required to put it in operation, and its probable cost, so that reliable estimates may be presented to Congress, with recommendation, in case it should be decided to lay the matter before that body.

Very respectfully,

DAVID B. PARKER,
Chief Inspector,

Hon. R. A. ELMER,
Second Assistant Postmaster-General.

REPORT OF THE GENERAL SUPERINTENDENT OF RAILWAY MAIL SERVICE.

POST-OFFICE DEPARTMENT,
OFFICE GENERAL SUPERINTENDENT RAILWAY MAIL SERVICE,
Washington, D. C., October 23, 1882.

SIR: At the last session of Congress (Forty-seventh Congress, first session) an act was passed reorganizing the railway mail service in accordance with the recommendations of the Postmaster-General, and the suggestions of this office made in each annual report from and including that for 1879 to that for 1881. Under this act, which was approved July 31, 1882, an order of the Postmaster-General was issued to carry the same into effect, as follows:

ORDER OF THE POSTMASTER-GENERAL REORGANIZING THE RAILWAY MAIL SERVICE.

POST-OFFICE DEPARTMENT,
Washington, D. C., August 1, 1882.

ORDER No. 354.]

In carrying into effect the act of Congress reorganizing the railway mail service, approved July 31, 1882, viz:

AN ACT to designate, classify, and fix the salaries of persons in the railway mail service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That persons in the railway mail service, known as railway post-

office clerks, route agents, local agents, and mail route messengers, shall, on and after the passage of this act, be designated as railway postal clerks, and divided into five classes, whose salaries shall not exceed the following rates per annum:

First class, not exceeding eight hundred dollars; second class, not exceeding nine hundred dollars; third class, not exceeding one thousand dollars; fourth class, not exceeding one thousand two hundred dollars; and fifth class, not exceeding one thousand four hundred dollars: *Provided*, That the Postmaster-General, in fixing the salaries of clerks in the different classes, may fix different salaries for clerks of the same class, according to the amount of work done and the responsibility incurred by each, but shall not, in any case, allow a higher salary to any clerk of any class than the maximum fixed by this act for the class to which such clerk belongs.

SEC. 2. That the sums appropriated in the act entitled "An act making appropriation for the service of the Post-Office Department for the fiscal year ending June thirtieth, eighteen hundred and eighty-three, and for other purposes," approved May fourth, eighteen hundred and eighty-two, for the compensation of the railway post-office clerks, route agents, mail route messengers, and local agents, be consolidated into one fund, and applied for the compensation of the clerks embraced in the five classes under the title of railway postal clerks, provided in this act.

(Signed)

J. WARRAN KEIFER,

Speaker of the House of Representatives.

(Signed)

DAVID DAVIS,

President of the Senate pro tempore.

Approved July 31, 1882.

the following regulations will be observed:

SEC. 1. *Designation of clerks.*—In accordance with this act all former designations of employés of the railway mail service are obsolete, and they will be hereafter known as railway postal clerks.

SEC. 2. *Nomenclature of railway mail service.*—For the sake of uniformity all lines will be called railway post-offices.

SEC. 3. *Organization of working crews.*—On lines where but one clerk to a car is appointed to perform the duties, and who runs an average of one hundred miles or more per day, he will be of class three, at \$1,000 per annum. If the average daily distance run is less than one hundred and not less than ninety miles the clerk will be of class two, at \$900 per annum; if the average daily distance run is less than ninety and more than eighty miles the clerk will be of class two, and the salary will be at the rate of \$10 per annum for each mile of the daily average of miles run. If the average distance run daily is eighty miles or less the clerk will be of class one, and the salary will be \$10 per annum for each mile of the daily average of miles run.

On lines that have been known as full railway post-office lines or that may hereafter be established in like manner, where two clerks are needed there may be one of class five, at \$1,300 per annum, and one of class four, at \$1,150 per annum.

On lines where three clerks are needed there shall be one of class five, at \$1,300 per annum; one of class four, at \$1,150 per annum; and one of class three, at \$1,000 per annum.

On lines where four clerks are needed there shall be one of class five, at \$1,300 per annum; one of class four, at \$1,150 per annum; one of class three, at \$1,000 per annum; and one of class two, at \$900 per annum.

On lines where more than four clerks are needed such additional clerks shall be of class two or one; except two distributing cars are run on the same train (one car being for the distribution of letter mail and the other car for the distribution of newspaper mail), when there may be one clerk of class five, at \$1,300 per annum; three of class four, at \$1,150 per annum; one of class three, at \$1,000 per annum; and all additional clerks of class two or one.

The clerk of the highest class in any crew will be designated the "clerk in charge."

SEC. 4. *"Helpers."*—When it becomes necessary to furnish assistance on any line, the clerk assigned to such duty will be designated a "helper," whether he runs over the entire line or only a portion of it; but such helper shall not be of a higher class nor receive a higher salary than the clerk to whom he is assigned as a helper; and in no case shall the salary of such helper exceed that of a clerk of class two.

SEC. 5. *Clerks on steamboat lines.*—Clerks on steamboat lines will be of class one, at a salary not exceeding \$720 per annum; the salary to be determined by the amount of work to be performed and the importance of the line.

SEC. 6. *Transfer service.*—Local agencies having been abolished by the act of Congress before quoted, superintendents may, if approved by the general superintendent, detail clerks not above class four at \$1,150 per annum at certain important junctions to look after the handling of mails at railroad depots, and to perform such other duties pertaining to the railway mail service as may be required. If more than one clerk is needed for such duty at the same depot, such additional clerks shall be of classes below class four, but in no case shall more than one clerk of the same class, above class one, be so detailed at the same depot. Clerks so detailed will be desig-

nated railway postal clerks, and all vacancies occurring in such details shall be filled from clerks serving on lines.

SEC. 7. *Providing for emergencies.*—To meet emergencies, superintendents may make any assignment of clerks in their respective divisions which may be necessary for the benefit of the service, but not for a longer period than ten consecutive days; and such assignments must be at once reported to the general superintendent.

SEC. 8. *Chief clerks and assistants.*—Clerks who may be detailed to duty at certain important points in charge of one or more lines will be designated "chief clerks," and such details may be made from clerks of class five, at a salary of \$1,400 per annum. No clerk will be detailed to assist a chief clerk except in special necessary cases, and the clerk so detailed shall not be above class three.

SEC. 9. *Detail of clerks.*—Superintendents may detail clerks from one route to another, but clerks so detailed must be assigned to duty in accordance with this order. Clerks may be detailed for clerical duty pertaining to the railway mail service. All details (except in cases of emergency) must be reported to the general superintendent for his approval before going into effect.

SEC. 10. *Reassignments.*—Superintendents are hereby instructed to reassign clerks in accordance with this order.

SEC. 11. *Salaries to be regulated by duties assigned.*—In no event will a clerk be allowed the salary of a higher class than is by this order assigned to the duties actually performed by him, except when ordered to perform duties of a lower grade in case of emergency.

SEC. 12. *Inability of clerks to fill positions to which assigned.*—Whenever a clerk is unable to perform the duties of the position to which he is assigned, the superintendent will at once report the facts to the general superintendent, with a recommendation for reduction or retirement.

SEC. 13. *New appointments.*—All original appointments to the position of railway postal clerk shall be made as clerks of class one, and for a probationary period of six months from the date of the same. No reappointment at or before the expiration of the probationary period shall be made unless the appointee shall have shown himself proficient in his duties, fully competent to perform the same, and shall pass a satisfactory examination upon the duties of his position.

SEC. 14. *Superintendents to report necessary changes.*—Superintendents will report at once to the general superintendent any changes which may be necessary under this order to carry it into effect.

SEC. 15. *Date this order takes effect.*—This order will take effect on and after August 1, 1882. All regulations or parts of regulations of this department inconsistent with this order are hereby rescinded.

T. O. HOWE,
Postmaster-General.

As the service was immediately reorganized under this order, which took effect within one month after the expiration of the fiscal year with which this report is concerned, it has been considered best to show the service at the close of the fiscal year, both as it was under the old organization and as it would have been reported under the reorganization, in order to afford a basis for a comparison with its condition on the 30th of June, 1883.

At the close of the fiscal year ended June 30, 1882, there were employed in this service 3,570

RAILWAY POSTAL CLERKS.

with salaries aggregating \$3,486,779, or an average annual salary to each of \$976.68. This was an increase in number over those in the service at the close of the previous fiscal year of 39.1, or 12.37 per cent., and a decrease of \$1.85 per annum in the average salary paid to each.

Under the old organization the clerks were graded and paid as follows:

Number.	Grade	Annual cost.
1,517	Railway postal clerks	\$1,517,000
1,557	Route agents	1,557,000
334	Mail route messengers	334,000
162	Local agents	162,000
Total 3,570		3,486,779

These figures represent the condition of the service on the 30th of June; but the actual expense during the year was as follows:

Railway postal clerks	\$1,574,404 36
Route agents	1,322,336 20
Mail route messengers	189,884 92
Local agents	119,228 74
Total	3,235,853 12

RAILWAY POST-OFFICE LINES.

It affords me pleasure to be able in this report, for the first time since the mails have been carried by rail, to present a table (A¹) showing all the railway post-office lines in the United States, arranged in alphabetical order, giving the terminal post-offices, the distance run, the railroads over which they run, the annual miles of service, the number of cars and parts of cars in use and in reserve, and the number of railway postal clerks employed in each car. From this it will be seen that on June 30, 1882, there were in operation 769 railway post-offices (new designation). Those upon which "railway post-office cars" are run and paid for are designated in the table by being printed in *italics*. These railway post-offices were conducted in 342 whole cars and 1,462 apartments in cars, a total of 1,804 cars and apartments, and were run over 87,865 miles of railroad, making 75,741,438 miles of annual service.

There were employed upon these lines 3,122 railway postal clerks; 162 clerks, as before stated, were detailed as transfer clerks (formerly known as "local agents"); 286 were detailed as chief clerks and for other clerical duty in connection with the service at this office, division headquarters, and other prominent points where needed, and were running upon steamboats; making a total of 3,570. The average number of miles traveled annually by each clerk in railway post-offices was 38,564. A comparison of these figures with those given by the Second Assistant Postmaster-General shows that there were 12,698 miles of railroad upon which there were no railway post-office lines, and that 38,253,880 miles of annual service were performed with express mails and closed pouches over these routes and portions of routes, and also upon other than mail trains, over routes where railway post-office lines were running.

GROWTH OF THE SERVICE.

Table B¹, hereto appended, shows the growth of the service as far as it can be compiled from the reports of the Postmaster-General from 1834 to the present time. In his report for the fiscal year ended November 1, 1834, Postmaster-General W. T. Barry says:

The celerity of the mail should always be equal to the most rapid transition of the traveler; and that which shortens the time of communication, and facilitates the intercourse between distant places, is like bringing them nearer together; while it affords convenience to men of business, it tends to counteract local prejudices by enlarging the sphere of acquaintance. These considerations have always had their full weight upon my mind in making improvements in mail operations. The multiplication of railroads in different parts of the country promises, within a few years, to give great rapidity to the movements of travelers, and it is a subject worthy of inquiry, whether measures may not now be taken to secure the transportation of the mail upon them. Already have the railroads between Frenchtown, in Maryland, and New Castle, in Delaware, and between Camden and South Amboy, in New Jersey, afforded great and important facilities to the transmission of the great Eastern mail.

The railroad between this city and Baltimore will soon be completed, and the distance from the post-office in this place to that of Baltimore, will not be materially varied from the present road, 38 miles. From Baltimore, by Port Deposit, in Maryland, to Coatesville, in Pennsylvania, the line for a railroad is located, and the stock

subscribed for its completion, and from Coatesville to Philadelphia, a railroad is made and in operation. The distance between Baltimore and Philadelphia on this road will be one hundred and seventeen miles, about eighteen miles greater than the present land route. From Philadelphia to Trenton bridge, about twenty-eight miles, the railroad is nearly completed, and from New Brunswick, in Jersey, to Jersey City, on the west side of the Hudson River, opposite the city of New York, thirty miles, the railroad is in a state of progress. When these works shall be completed, the only interval will be between Trenton and New Brunswick, about twenty-six miles, to complete an entire railroad between this place and the city of New York, and it cannot be supposed that the enterprising State of New Jersey will long delay to perfect a communication of such great importance, passing through most of her largest and most flourishing towns.

When this shall be done, the whole distance between this city and New York on a continuous railroad, will not exceed two hundred and forty miles, and the journey may be performed at all times with certainty, allowing ample time for stopping at important places on the road, in sixteen hours, and ordinarily in a shorter period.

If provision can be made to secure the regular transportation of the mail upon this and upon other railroads which are constructing, and in some instances, already finished, it will be of great utility to the public, otherwise these corporations may become exorbitant in their demands, and prove eventually to be dangerous monopolies.

From the figures following in this table, the modest 78 miles representing the distance between South Amboy and Camden, and New Castle and Frenchtown (Elkton), over which the mail was carried by the stage-coach contractors in 1834, it does not appear that Postmaster-General Barry was at all extravagant in his anticipations.

During the past year the increase in miles of railroad route over the preceding year was 8,994, or 9.82 per cent.

ESTIMATE FOR 1884.

I append a table showing the expenditures for railway postal clerks (new designation), from 1877 to the present time:

Expenditures on account of employees of railway mail service (railway postal clerks) 1877 to 1882, and estimate for the same for 1884.

Fiscal year ending June 30—	Number of railway postal clerks in service June 30.	Emoluments.	Expenses.	Increase over preceding year.	Per cent. of the sum over preceding year.	Estimated number of clerks for 1884.
1877.....	2,500	.....	\$ 3,436,547.58	.....	.....	.....
1878.....	2,500	108	3,436,547.58	108	2.46	2,608
1879.....	2,500	108	3,436,547.58	108	2.46	2,716
1880.....	2,500	108	3,436,547.58	108	2.46	2,824
1881.....	2,500	108	3,436,547.58	108	2.46	2,932
1882.....	3,570	393	3,436,547.58	108	2.46	3,040
1883.....	.....	.....	3,710,000.00	273,452.42	7.98	.....
1884.....	.....	.....	3,977,120.00	267,120.00	7.17	.....

* Appropriation.

† Estimate.

The average annual per cent. of increase of each year over the preceding year from \$2,436,547.58 in 1877 to \$3,710,000 appropriated for 1883 is 7.20 per cent.; on which basis the estimate for 1884 should be \$3,977,120. It is believed, in view of the large increase made for the present fiscal year, and the facility with which expenditures can be regulated under the new organization, that this increase will be sufficient to enable postal clerks to be appointed upon new railroads as fast as completed, where the amount of mail to be handled is large enough to justify their appointment.

MAIL DISTRIBUTED, ERRORS CHECKED, &c.

During the past year the railway postal clerks handled and distributed 2,155,213,880 letters and postal cards, and 1,278,176,600 pieces of other mail matter, or a total of all classes of ordinary mail matter of 3,433,390,480, besides 14,234,310 registered packages and 570,483 through registered pouches. This was an increase over 1881 of 351,230, 160 letters, or 19.48 per cent., and of other mail matter of 228,880,250, or 21.82 per cent., and a total increase of all classes of mail matter of 580,110,410, or 20.33 per cent. The increase of registered packages and pouches handled over the number reported last year is 2,776,028, or 23.9 per cent.

In the distribution of this matter 902,489 errors were made, or one for every 3,805 pieces handled, against one in every 3,624 pieces handled in 1881, one in every 3,482 pieces handled during 1880, and one in every 3,469 pieces handled in 1879. These figures show that the clerks continue to improve in accuracy in distribution with the increase of the mails. During the past year 405,706 errors were checked against postmasters as against 454,349 errors in 1881, which shows that the distribution at post-offices has improved during the year. Tables C¹, D¹, and E¹, hereto appended, give the details of which the foregoing is a synopsis.

FACING SLIPS.

The regulations require postal clerks to place upon each letter package and in each sack of other mail matter made up by them to be redistributed in another railway post-office, or post-office, a slip of paper called a "facing slip," about four inches long by two and one-half inches wide, and bearing on its face, either printed or written, the descriptive title and destination of the mail forwarded under it, the postmark of the railway post-office and direction moving, and the name of the clerk making up the mail. These slips are also placed inside of packages and sacks made up direct for a post-office.

The clerk who opens one of these packages or sacks, if the package or sack has been missent or misdirected, notes the fact upon the slip, which he retains, and sends the package or sack in the proper direction accompanied by one of his own slips.

If the package or sack is properly addressed, the clerk notes upon the slip whether any letters, &c., have been placed therein which should have been sent in another direction or included in some other package or sack, giving a description of the same, and placing his name and postmark upon the incorrect slip. At the end of each trip a report is made to the division superintendent of the mail received, distributed, and delivered upon the trip, giving the number of packages of letters and sacks of other mail distributed. With this report are inclosed all incorrect slips.

Tables C¹, D¹, and E¹ are consolidated from these trip reports. Repeated actual counts have enabled this office to fix upon the average number of letters in a package as 40, and of pieces of other mail matter in a sack as 150, and by multiplying the number of packages and sacks by these figures respectively an approximate estimate of the work performed is obtained. It must be remembered, however, that the totals thus obtained are largely in excess of the entire number of letters, &c., mailed in the United States during the year, as every time a letter or paper is distributed it is counted, and while one distribution takes a large number of pieces of mail to their destination, a still larger number

require two or more distributions before each piece is placed in a direct package or sack for the post-office to which it is addressed.

It appears from Table C¹ that during the year 62,408,191 letter packages and sacks of other mail were distributed, each of which required a facing slip to accompany it. One half may safely be added to this number for facing slips placed in direct packages and sacks, making a total of 93,612,286 facing slips used by this service during the year. The number of blank slips furnished by the blank agency is reported by the superintendent as 32,736,600. The remainder, about sixty millions, were procured by the clerks at their own expense with the information printed thereon, which is required by the regulations to be either printed or written. The average price paid by the clerks for printing, the paper (manila wrapping) being furnished by the blank agency, is 25 cents per thousand. It thus appears that the postal clerks contributed out of their own scanty pay about \$15,000 for the improvement of the postal service during the past year. It is greatly to be desired that the use of printed slips be made general, as it contributes very largely to accuracy in distribution and dispatch of the mails, but I do not think it right to require clerks to have them printed at their own expense. The printing of these slips ought to be done at division headquarters, under the supervision of the superintendent, upon paper furnished as now by the blank agency. I have for some time been reluctant to approve requisitions for paper belonging to the postal service to be delivered to outside parties for printing and cutting into slips for the use of postal clerks, and have only done so in rare instances, because the interest of the service seemed to demand it. By an expenditure of not over \$1,000 at each division headquarters a press, paper-cutter, type, &c., could be purchased, and postal clerks could be detailed to print and issue the slips as needed. I would therefore request that Congress be asked to authorize the Postmaster-General to expend out of the appropriation for transportation of the mails by railroads, not to exceed nine thousand dollars for the purchase of presses, paper-cutters, and printing material, to be used at the several division headquarters in printing facing slips for this service.

CASE EXAMINATIONS—CHIEF CLERKS.

Tables F¹ and G¹, hereto appended, show the results of the examinations of the railway postal clerks during the year in the distribution of cards bearing the names of post-offices into cases labeled with the States and counties in which the post-offices are located. These examinations are conducted by postal clerks of class five, at a salary of \$1,400 per annum, who are detailed, on account of their superior knowledge of the service and their executive ability, as chief clerks to superintend these examinations, and also to assist division superintendents at important railroad junctions in the general management of the service.

In the discharge of these duties they are necessarily compelled to travel a great deal, involving considerable additional expense, for which they ought to be repaid. I therefore recommend that Congress be asked to give the Postmaster-General authority to allow railway postal clerks detailed as chief clerks not to exceed \$3 per day for expenses while traveling on the business of the railway mail service, to be paid out of the appropriation for the transportation of the mail by railroad.

PROBATIONARY APPOINTMENTS.

Attention is invited to the Table G¹, being a statement of the case examinations of railway postal clerks during probation. It will be seen that out of 1,027 appointed upon probation, 208 (or over twenty per cent.) failed to pass final examination, and either resigned or were dropped at the expiration of their probationary terms.

CASUALTIES—RELIEF FOR THE VICTIMS.

Table II¹, hereto appended, shows that during the past fiscal year there were 83 casualties, in which 3 railway postal clerks lost their lives, 16 were seriously and 20 were slightly wounded.

During the past eight years, as appears from Table I¹, compiled from the annual reports, 269 casualties have been reported, in which 19 employes of this service have been killed, 84 have been seriously and 77 slightly wounded. Under the regulations, as amended by an order of the Postmaster-General of June 16, 1882, leave of absence with pay is granted to postal clerks disabled by injuries received, without contributory negligence on their part, while in the discharge of their duties, for a period of not to exceed six months; but any extension of leave beyond that period must be without pay, which is a hardship for which relief should be given, and the Postmaster-General should be authorized to continue such disabled postal clerks upon leave with the full pay of their grade until recovery, or at least one year.

No provision is or can be made for the families of those killed in the service until action is taken by Congress. I renew the recommendation made in each annual report for the last seven years, that the Postmaster-General may be authorized to pay to the widow, or guardian of minor children, of railway postal clerks killed in the service, a sum equal to two years' salary of the grade held at the time of death. This would involve no additional appropriation, as the deductions from pay for failure to perform service, absence without leave, leaves of absence without pay, and violations of the regulations would be sufficient to meet all such payments. During the last fiscal year these deductions, as reported by the Auditor, amounted to nearly \$15,000, which now reverts into the Treasury. The three clerks killed in the accident between Charleston, S. C., and Savannah, Ga., January 22, 1882, received salaries at the following rates: H. A. Fox, \$1,300; W. H. Burbridge, \$1,150; and George E. Osborne, \$900, each per annum. Two years' pay to the widows or children of these men amounts to \$6,700, or less than one-half the amount deducted for the reasons above mentioned. It is impossible to preserve the discipline necessary among a force of nearly 4,000 men in order to keep up the efficiency of the service, without making deductions from the pay of individuals for failure to perform service, or for neglect to discharge their duties in accordance with the postal laws and regulations, and it would greatly add to the welfare of the service and go far to remove the discontent sometimes manifested by those who have had deductions made from their pay, were Congress to authorize the Postmaster-General to apply these deductions, as above suggested, to the relief of the families of those killed, and to meet the necessities of those disabled for a longer term than leave of absence with pay is now granted for.

RAILWAY POSTAL CARS—ESTIMATE.

The appropriation for railway post-office cars for the past year was \$1,526,000. The railway post-office lines upon which railway post-office cars were run and paid for are designated by their names being printed in *italics* in Table A¹, to which reference is made. They are the main

trunk lines upon which the great through mails are transported and distributed. A detailed account of the division of the appropriation among the railroads comprising these lines is given in Table I, appended to the report of the Second Assistant Postmaster-General. It is believed that the increase of business over existing trunk lines and the completion of missing links in nearly completed new trunk lines will necessitate an additional appropriation for 1884 of \$100,000, and I therefore recommend that an appropriation of \$1,626,000 be asked for railway postal cars for 1884.

LOCAL RAILWAY POST-OFFICE SERVICE.

Much inconvenience is experienced by the inhabitants of the towns and villages along some of the lines of railroad traveled by the railway post-offices carrying the great through mails, on account of the inconvenience to business men of the hours at which the railway post-offices arrive and depart. Upon most of these roads accommodation trains are run to and from the principal terminals for distances of 100 miles, more or less. It will be a great benefit to the people living along these lines if postal clerks can be placed upon these accommodation trains, and the revenues of the department would be increased by the additional number of letters which would be written when business men could write in the morning to their correspondents in the city or in the neighboring towns and receive a reply in the evening of the same day. It is believed that with the additional appropriation asked for railway postal clerks the service can be placed upon such trains where it is most needed. Wherever the correspondence already existing is sufficient to warrant the establishment of a railway post-office (new designation), the correspondence will double soon after such facilities are furnished for its more speedy exchange.

FAST MAILS AND SPECIAL FACILITIES.

The appropriation for special facilities for 1882 was \$425,000. A detailed statement of the manner in which the appropriation was expended will be found in Table K, appended to the report of the Second Assistant Postmaster-General.

The results obtained by the expenditure were as follows:

New York to Springfield, Mass. (New York, New Haven and Hartford Railroad).—This train was established at the instance of the Post Office Department. Leaving New York at 5 a. m., it received mail leaving Washington, D. C., the previous day at 5.40 p. m.; Baltimore, 7.25 p. m.; Philadelphia, 12 midnight; and New York at 5 a. m. Delivered and received mail between New York and New Haven, Conn., where it arrived at 8.03 a. m. Without this train the mail would have been delivered at New Haven at 10.20 a. m. It connected at New Haven with train leaving at 8.08 a. m., with a postal clerk, for New London and Providence. Mail was received and delivered at all intermediate offices, and delivered at New London at 10.10 a. m. instead of 12.40 p. m.; Providence, at 12.45 instead of 3.45 p. m.; and there was a train connection from Providence to Boston. The New Haven and Willimantic R. P. O. left New Haven in connection with this train at 8.05 a. m., and at Willimantic connected with the Boston and Waterbury R. P. O. Mails were delivered and received at all places between New Haven and Boston. Mails were delivered at Middletown at 8.58 p. m., arriving in Boston at 1.25 p. m. instead of 3.55 p. m.; arriving at Hartford at 9.44 a. m. instead of 11.45 a. m.; Springfield, at 10.40 a. m. instead of 12.28 p. m. Mail for Lowell and Lawrence was delivered at 3.30 p. m., formerly delivered at 6.30 p. m. Early deliveries were also made to Wor-

cester, Salem, Lynn, Newburyport, Haverhill, and many other important offices in Massachusetts; to Nashua, Manchester, Concord, Portsmouth, Dover, Great Falls, and to other offices in New Hampshire, and to points in Maine as far east as Portland. This train was not in the Railway Guide as one of the company's passenger trains. It carried a very large mail.

New York to Chicago, Ill. (New York Central and Hudson River Railroad, and Lake Shore and Michigan Southern Railroad).—This was for the fast mail that left New York at 4.35 a. m. and arrived at Chicago the following morning at 9.40 a. m.; also for another fast mail that left New York at 8.50 p. m., arriving at Cleveland, Ohio, the following day at 1.50 p. m., Toledo 5.40 p. m., and Chicago the second day at 6 a. m.

Train leaving New York at 4.35 a. m. Three postal cars on this train, New York to Syracuse; two from Syracuse to Buffalo, and one from Buffalo to Chicago. This train was established at the instance of the Post-Office Department as special to Albany, where the postal cars were transferred to the regular train "made up" there for Buffalo, and from Buffalo to Chicago on the limited express, where it arrived at 9.40 a. m. At Fishkill it connected with the Millersville and Dutchess Junction R. P. O. It delivered mail at Newburgh at 6.10 a. m. instead of 10.01 a. m.; Poughkeepsie, at 6.30 a. m. instead of 10.36 a. m. At Rhinecliff it connected with the Boston Corners and Rhinecliff R. P. O. Delivered the mail at Rhinecliff, Rondout, and Kingston at 6.54 a. m. instead of 11.08 a. m.; Hudson, 7.32 a. m. instead of 12.01 p. m.; Albany, 8.20 a. m. instead of 1 p. m.; Troy, 8.50 a. m. instead of 1.15 p. m.; Schenectady at 9 a. m. instead of 1.55 p. m.; Little Falls at 10.45 a. m. instead of 3.50 p. m.; Utica, 11.22 a. m. instead of 4.30 p. m.; Rome, 11.53 a. m. instead of 5.09 p. m.; Syracuse at 1 p. m. instead of 6.25 p. m.; Rochester, 4.05 p. m. instead of 11.05 p. m.; Buffalo, 6.30 p. m. instead of midnight. Formerly these postal cars left New York at 8 a. m. and arrived at Chicago the following day at 7.40 p. m. The arrival at 9.40 a. m. instead of 7.40 p. m. is equivalent to the saving of one business day to Chicago, and for all points west and northwest of Chicago, as all the principal connections are made at Chicago; and this is particularly the case for all points west of Omaha, as the Union Pacific Railroad only runs one train per day, and this train made the connection.

The southwestern mails from New York were sent via the Pennsylvania Railroad, yet there was a large accumulation of mail on this train for that section, and the connection was made at Toledo, Ohio, which saved as much time as for points west of Chicago.

Train leaving New York at 8.50 p. m. There were three postal cars on this train that ran special with express cars (no passengers) to Cleveland, Ohio (a distance of six hundred and twenty-six miles). Formerly this mail left New York at 6 p. m., which necessitated a close in the New York office at 4 p. m., too early to get all the mail, as there is a large amount of mail posted between the closing for the 6 p. m. train and that for the 8.30 p. m. train, and all of the mail that accumulated between the hours above named and was forwarded at 8.50 p. m. gained twelve hours. This train received at Albany the mail that left Boston at 6 p. m., whereas if the postal cars left New York at 6 p. m. it would require a departure from Boston at 3 p. m. This train received and delivered mail at all important points between New York and Buffalo, where it arrived at 9.15 a. m.; Erie, Pa., 11.31 a. m.; Cleveland, Ohio, 1.55 p. m. At this point connections were made for the South and Southwest, viz: Cincinnati, arriving at 11.15 p. m.; Louisville, 8.20 a. m.; and Saint Louis, at 8.20 a. m. This train delivered and received

mail at all offices between Buffalo and Cleveland and all of the larger offices between Cleveland and Chicago; arrived at Toledo 5.30 p. m.; Chicago, the second morning at 6 a. m., in time for the first delivery and to make all outward connections. Mail that left New York at 8.50 p. m. arrived at Cleveland, also Toledo, in time for delivery the following day; also at all intermediate points.

New York to Pittsburgh, Cincinnati, Saint Louis, and Chicago (Pennsylvania Railroad; Pittsburgh, Chicago and Saint Louis Railroad; and Fort Wayne and Chicago Railroad).—This arrangement was for a fast mail leaving New York at 8 p. m., arriving at Pittsburgh the following morning, Cincinnati the following night, and Saint Louis the second morning; and for another fast mail that left New York at 8 a. m., which now leaves at 4.35 a. m.

The 4.35 a. m. train from New York hauled the Washington postal car to Philadelphia, and had two cars for Pittsburgh and the West and Southwest. At Columbus, Ohio, one car went to Cincinnati and the other to Saint Louis. Mail was delivered and received at all offices between New York and Pittsburgh, arriving at Harrisburgh at 11 a. m. instead of 7.40 p. m.; Altoona at 3.45 p. m. instead of 12 midnight. Mail was delivered and received at all the larger offices between Pittsburgh and Columbus, reaching Columbus at 3.45 a. m. instead of 9.20 a. m., and arrived at Cincinnati at 8 a. m., instead of 3.05 p. m., making the southern connections for Louisville and the South, via Louisville, at 12.45 p. m. instead of 8.05 p. m. Formerly this connection was broken at Cincinnati, consequently there was a delay of twelve hours for all points southwest from Cincinnati. This train, via Louisville and Nashville Railroad, had a direct connection to New Orleans, also to Memphis, Tenn.

The 8 p. m. train from New York carried three postal cars. On the 1st day of July, 1881, there was a fast mail established on the Pennsylvania Railroad between New York and Columbus, Ohio, leaving New York at 8.35 p. m., after the close of business, receiving all the important business mail of the day, and, by fast running, overtaking at Columbus, Ohio, the regular fast express that left New York two hours and thirty minutes earlier. At Columbus the postal cars attached to this train were separated, one going to Cincinnati, Ohio, on the regular fast express, and the other two going to Saint Louis, Mo., via Indianapolis, Ind., on the regular express and passenger train, arriving at Saint Louis, Mo., in time to make a connection with all morning outward trains.

The late departure at New York largely increases the amount of mail forwarded on this train, which is advanced twelve hours.

January 21, 1882, the schedule of this first-mentioned train was changed to arrive at Pittsburgh at 1.50 p. m., thereby losing the morning connection at Pittsburgh.

New York to Savannah, Ga., Jacksonville, Fla., &c. (Pennsylvania Railroad; Richmond, Fredericksburgh and Potomac Railroad; Richmond and Petersburg Railroad; Wilmington and Weldon Railroad; Petersburg Railroad; Wilmington, Columbus and Augusta Railroad; North-Eastern Railroad; Savannah and Charleston Railroad). This was for a fast mail that left New York at 4.35 a. m. (with connection leaving Boston the previous evening at 6.45) for Philadelphia, Baltimore, Washington, Richmond, Wilmington, Charleston, and Savannah, with connection to Jacksonville, Fla., and delivered mail at Baltimore at 9.50 a. m. instead of 3.36 p. m.; Washington, 11.20 a. m. instead of 4.40 p. m.; Richmond, 3 p. m. instead of 9.50 p. m.; Petersburg

at 4 p. m. instead of 10.55 p. m. ; Weldon, 6 p. m. instead of 1.20 a. m. ; Wilmington, 11.05 p. m. instead of 7.05 p. m. ; Florence, 2.47 a. m. instead of 11.40 a. m. ; Columbia, 6.10 a. m. instead of 4.25 p. m. ; Augusta, 9.52 a. m. instead of 8.40 p. m. ; Charleston, 6.50 a. m. instead of 4.25 p. m. ; Savannah, 10.45 a. m. instead of 9.40 p. m., and connected with train that arrived at Jacksonville at 5.30 p. m.

This line received and delivered mail at all intermediate points.

Richmond to Atlanta, Ga. (Richmond and Danville Railroad). This was for fast mail to Atlanta, Ga., November 20, 1881. It was transferred to start from Washington instead of Richmond, which did not materially increase the expense, and February 12, 1882, was discontinued by the railroad company. While in operation it left Richmond on the arrival of the fast mail from the North, and arrived at Atlanta at 11 a. m. By the regular train the mail would have arrived at 12 midnight. It connected with the noon train out of Atlanta, and arrived at New Orleans at 10.22 a. m. instead of 10.02 p. m. There was a postal car on this train, and mails were delivered at all intermediate offices. All mail for points west of Atlanta was advanced twelve hours, and New Orleans received the benefits of one business day.

Alexandria to Lynchburgh, Va. (Virginia Midland Railroad).—This was for a night train on this road with through connections to the South. Prior to February 12, 1882, it left at 10.15 p. m. and made the same connections to Atlanta as the line via Richmond that left Washington at 5 p. m. Since that date it has left at 7 p. m.

Tocoi to Saint Augustine, Fla. (Saint John's Railway).—This was for twenty-six additional round trips in connection with the night boat on the Saint John's River.

ESTIMATES FOR SPECIAL FACILITIES FOR 1884.

Thus far during the present year only a small portion of the appropriation for special facilities has been expended, on account of the inability in most instances of the Postmaster-General to agree with the railroad companies upon any terms that he believed to be advantageous to the department. On the lines from Washington, D. C., to Atlanta, Ga., the companies withdrew the fast service before the end of the last fiscal year, and abandoned all claim to any allowance out of the appropriation. The Pennsylvania Railroad Company also withdrew the fast mail between New York and Pittsburgh, Pa. The service over that route is now slow and unsatisfactory.

The Atlantic Coast Line from New York to Charleston, S. C., has been continued under the same arrangement as last year.

It is believed, however, that in the near future the Postmaster-General will be able to make arrangements for the establishment of fast mail service where it is needed, upon terms which will be just to the railroads, and advantageous to the department and to the public. It is necessary that this appropriation be continued as long as the present method of adjusting the compensation of railroads for carrying the mail is kept up, in order that the Postmaster-General may have the power and authority to meet emergencies.

I would therefore respectfully recommend that the appropriation for the next fiscal year be the same as it is for the present, viz, \$600,000.

CONCLUSION.

In concluding my last annual report, after expressing my personal obligations to the assistant superintendents and railway postal clerks for the intelligence, zeal, fidelity, and energy with which they had discharged the difficult, responsible, and often dangerous duties intrusted

to their care, I ventured the statement that no civil service in the world could show their superiors. Even having in mind the improvement in the efficiency of the service during the past year, I can say no more than what I then said. Their services deserve to be recognized in some thing better than mere words. The act of Congress reorganizing the service was but the first step in this direction. It remains for Congress to enact that their tenure of office shall be made permanent during good behavior, and that deductions of pay for absences without leave, &c., or for minor violations of the regulations, shall not be turned into the Treasury as now, but shall be used to provide for the necessities of those disabled in the service, and for the families of those killed in the line of duty.

Whatever objections may with propriety be urged against such legislation in regard to persons holding other civil offices under the United States, they only serve as additional arguments in favor of these acts of justice to postal clerks. While other civil employes receive higher salaries for mere clerical work requiring no special preparatory study, the highest pay a postal clerk is allowed by law is \$1,400 per annum, and this can only be obtained after years of study and manifestation of clerical and executive abilities, such as in other branches of the civil service would be rewarded by a far higher compensation, to say nothing of the constant danger of railroad accidents to which all postal clerks are exposed. It must not be forgotten, that but for the fact that during the past twenty-two years the tenure of office of all postal clerks has been, by the general practice of the department, permanent during good behavior, the service never could have attained its present state of efficiency. So long, however, as this general practice remains unsanctioned by positive law compelling it, there is still sufficient uncertainty about the tenure of office to interfere with that entire and perfect confidence that merit and efficiency are certain of reward, if not by immediate promotion, at least by retention in the service, which is necessary to inspire men to devote themselves enthusiastically to the work in which they are engaged. Were the tenure of office absolutely secure, young men entering the service would devote themselves to it as a life profession, having before their eyes the hope of eventually rising to the position of superintendent; just as the present superintendents have risen step by step from the lowest grade in the service.

That there is a special reason why the railway postal service should be protected by the legislation herein recommended has been recognized for many years by the practice of the department, but there never was a time before when the public interests would so greatly suffer by the inauguration of a policy which should lead the railway postal clerks to believe that in any instance, or under any circumstances, a good record for the faithful and efficient discharge of their duties would not be sufficient to secure their retention in office during continued good behavior; because never before has the railway postal service been conducted by men who have made it the sole business of their lives for nearly twenty years to add to its efficiency, and who have learned to meet the wants of the people in postal facilities as fast as such wants arise; and never before have the postal clerks been trained by so many years of experience and study to secure the greatest possible certainty, celerity, and security in forwarding to its destination every letter and other article of mail matter intrusted to their care.

I have the honor to be, sir, very respectfully, your obedient servant,
W. B. THOMPSON, *General Superintendent.*

Hon. R. A. ELMER,
Second Assistant Postmaster-General.

Statement of railway post-offices in operation in the United States on June 30, 1882.

Division.	Number of railway post-office lines.	Number of crews.	Number of railway postal clerks on lines.*	Miles run by clerks.	Miles of railroad over which clerks run.	Annual miles of railroad service performed by clerks.	Number of cars and apartments.				Total number of letters and pieces of ordinary mail matter handled.	Total registered packages handled.	Total through registered pouches handled.
							Whole cars in use.	Whole cars in reserve.	Apartment in use.	Apartment in reserve.			
First.....	78	180	323	6,744.60	4,874.80	5,983,617	16	1	116	60	193	1,138,791	60,302
Second.....	138	272	443	11,677.00	10,134.84	9,456,950	33	4	228	88	353	418,565,730	96,461
Third.....	39	103	159	4,677.00	4,462.00	4,039,776	23	3	69	102	102	2,185,738	45,970
Fourth.....	59	162	203	8,200.25	7,911.63	6,749,034	25	.....	118	.....	143	193,843,970	33,991
Fifth.....	114	327	522	10,845.34	13,933.70	12,473,416	39	.....	195	.....	254	614,981,600	129,910
Sixth.....	181	458	639	24,417.98	22,849.56	16,821,665	75	7	230	52	364	735,914,950	33,098
Seventh.....	86	258	347	15,634.08	14,835.92	11,746,117	30	2	185	23	240	487,144,530	42,649
Eighth.....	22	69	89	4,108.44	4,058.03	3,016,883	18	.....	30	.....	48	104,927,790	8,012
Ninth.....	42	135	377	5,981.73	4,714.55	5,653,080	29	10	58	10	107	375,280,530	100,150
Total.....	769	1,964	3,122	98,287.02	87,865.03	75,741,438	318	24	1,229	293	1,804	3,433,390,480	570,483

* Not including details as chief clerks, transfer clerks; and for clerical duty, and running upon steamboats.

Total miles of railroad route (including terminal distances from depots to post-offices).....

Total miles of railroad route over which railway postal clerks run.....

Total miles of railroad route upon which there is no railway postal service by clerks.....

Total annual miles of railway service by postal clerks.....

Total annual miles of railway service, express mails and closed pouches.....

Average annual distance run by each postal clerk.....

100,563
57,865
12,608
75,741,438
38,233,880
38,564

The divisions are constituted as follows: 1st division, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut; 2d division, New York, New Jersey, Pennsylvania, Delaware, and the Eastern Shore of Maryland; 3d division, Maryland (excluding the Eastern Shore), Virginia, West Virginia, North Carolina, and the District of Columbia; 4th division, South Carolina, Georgia, Alabama, Mississippi, and Louisiana; 5th division, Ohio, Indiana, Kentucky, and Tennessee; 6th division, Wisconsin, Illinois, Iowa, Nebraska, Minnesota, and the Territories of Michigan, and the Territories of Dakota and Wyoming; 7th division, Missouri, Kansas, Arkansas, Texas, Colorado, and the Indian Territory and Territory of New Mexico; 8th division, California, Nevada, Oregon, and the Territories of Alaska, Arizona, Idaho, Montana, Utah, and Washington; 9th division, the through mails via Buffalo, Suspension Bridge, Toledo, and Detroit, the lines of the Lake Shore and Michigan Southern Railroad, and the Lower Peninsula of Michigan.

Comparative statement of the railway mail service, 1830 to 1882.

Fiscal year ending June 30—	Miles of railroad in the United States.	Miles of railroad upon which mail was carried.	Miles of annual transportation of mail by railroads.	Annual cost of railroad mail transportation.	Number of employees of railway mail service.	Annual expenditure for all employees of the railway mail service.
1830	23					
1831	95					
1832	229					
1833	380					
1834	632	78				
1835	1,098					
1836	1,273		1,878,296			
1837	1,497	974	4,793,024	967,444		
1838	1,913		12,413,000	419,488		
1839	2,302		3,396,055	529,662		
1840	2,818		3,899,055	599,803		
1841	3,535		3,346,450	585,843		
1842	4,026	3,091	4,424,262	492,568		622,967
1843	4,185		5,092,402	733,687		128,965
1844	4,377	3,714	5,747,255	541,792		129,744
1845	4,633		6,484,592	844,440	49	137,818
1846	4,950	4,092	7,781,828	870,570		142,466
1847	5,598	4,402	4,170,405	597,475	186	16,138
1848	5,996	4,735	4,327,400	584,192		54,063
1849	7,365	5,497	4,861,177	635,746		91,812
1850	9,921	6,886	6,534,593	818,227		167,642
1851	10,882	8,255	8,364,593	985,019	148	145,497
1852	12,968	10,146	11,082,768	1,275,520	185	198,936
1853	15,360	12,415	12,986,705	1,661,329	265	176,732
1854	16,720	14,440	15,433,389	1,758,019	257	197,090
1855	18,374	18,333	19,202,409	2,073,689	348	264,499
1856	22,016	20,323	21,899,295	2,316,282	394	287,187
1857	24,563	22,530	24,267,944	2,599,867	451	329,388
1858	26,968	24,431	25,763,452	2,828,901	491	366,749
1859	28,789	26,010	27,268,384	3,264,974	548	429,175
1860	30,635	27,129	27,656,749	3,394,682	582	465,819
1861	31,286	122,018	123,116,426	12,543,769	1427	1,314,179
1862	33,170	121,308	122,777,219	12,468,115	1474	1,365,426
1863	35,968	122,152	122,871,558	12,538,517	1525	1,324,594
1864	35,085	122,616	123,501,942	12,567,044	1572	1,364,701
1865	36,801	123,401	124,087,568	12,707,421	1612	1,382,071
1866	39,250	122,092	130,609,467	13,361,592	1702	1,412,491
1867	42,229	134,015	132,437,900	13,812,600	1827	1,729,680
1868	42,229	136,018	134,886,178	14,177,126	1965	1,899,975
1869	46,844	139,567	141,369,284	14,722,680	1,129	972,609
1870	52,014	145,727	147,551,970	15,128,991	1,186	1,169,140
1871	60,283	149,834	155,537,048	15,724,979	1,382	1,441,090
1872	66,171	157,911	162,481,749	16,602,771	1,647	1,569,546
1873	70,278	165,457	165,691,445	17,257,186	1,895	1,998,876
1874	72,363	167,734	172,466,345	18,589,095	2,123	2,186,230
1875	74,096	170,682	175,154,910	19,215,748	2,342	2,465,490
1876	76,808	172,348	177,741,172	19,843,134	2,455	2,544,146
1877	79,080	174,546	185,058,710	19,955,476	2,580	2,484,848
1878	81,776	177,129	192,139,895	19,968,295	2,698	2,579,811
1879	86,497	179,391	194,092,992	19,792,589	2,689	2,694,880
1880	93,071	185,320	196,437,462	19,648,968	2,946	2,746,880
1881	104,813	191,569	199,521,229	11,967,117	3,177	3,068,891
1882	9	199,363	148,956,318	13,127,715	3,370	2,489,176

* Including steamboat service, no separate report.

† Service suspended in Southern States.

‡ Including mail-messenger service.

§ This column is taken from Poor's Manual, and is made up to the end of the calendar year. The other columns represent the state of the service at the close of each fiscal year.

|| The cost of service and of employees of the railway mail service is taken from the reports of the Second Assistant Postmaster-General.

Statement of casualties in the railway mail service during the fiscal year ended June 30, 1882.

July 1, 1881.—The freight train and construction train collided this morning at 8.20 near Corinth, Miss., wrecking the mail car. The mail was transferred to a baggage car and distributed along the line as far as practicable, as most of it was made up. The mails were delayed but none lost, and no one was injured.

July 1, 1881.—Train collided with a freight train at Templeton, Ind., smashing the postal car. The mail was transferred to a baggage car and taken to Chicago. No local work could be done north of Templeton, and all the connections were missed.

July 1, 1881.—At 3.48 this afternoon a postal clerk on the fast train from Saint Louis to Indianapolis on the Vandalia Railroad, threw a leather pouch from the mail car at Harmony, Ind., in such a manner that the pouch was drawn under the train and badly mutilated. The mail in the pouch was cut up and most of it destroyed. There were no registered packages in the pouch.

July 13, 1881.—Train leaving Nashville, Tenn., at 8.40 a. m. for Evansville, Ind., was wrecked and the mail car overturned. Nobody was hurt and nothing lost and the mail transferred in good order.

July 13, 1881.—A fire, originating it is supposed from cinders from the engine, broke out in the Decatur and Montgomery R. P. O. this day, badly burning registered pouches Nos. 3023 and 2886 and four canvas sacks of mail. The contents of all the pouches were saved, though the mail was more or less damaged.

July 22, 1881.—The steamer Marlin Speed sank this morning 65 miles above Pine Bluff at 2 o'clock, but all the mail was saved.

July 23, 1881.—The steamer Cornie Brandon sank to-day about 90 miles below Shreveport, La. The mail was somewhat damaged by the mud and water, but was saved and forwarded to destination.

July 24, 1881.—Train No. 2 left Cheyenne for Denver to-day 6 hours late, and when about 3 miles south of Berthoud, Colo., while running over a culvert, which was washed out by the heavy rains, broke through demolishing the engine, tender, and mail car. The engineer was killed outright and the foreman of the car was badly wounded. J. D. La Course, the route agent on the mail car, was cut about the face and otherwise bruised, but succeeded in saving all the registered matter and most of the other mail, the rest being totally destroyed and carried off by the water.

July 31, 1881.—The United States mail packet Osceola Belle was totally destroyed by fire between 6 and 7 o'clock in the evening. The personal effects of the mail messenger, together with some of the government property were burned, but the mail was saved.

August 4, 1881.—About 1 mile north of Plaquemine the engine of train No. 3 left the track and ran into the ditch, badly damaging the postal car. All of the mail was saved and was forwarded to destination after some detention.

August 6, 1881.—Train wrecked 6 miles east of Kokomo, Ind. Engine smashed and mail car thrown on its side. Mail all safe but delayed 13 hours.

August 6, 1881.—Steamer Plow Boy was sunk in the Arkansas River this morning, about 25 miles above Pine Bluff. The mail was saved and delivered by stage mail.

August 8, 1881.—Mail steamer *Laura Lee* went aground this morning. The mail was saved, but delayed 24 hours, when it was transferred to agent on the *Fanchon* on its north run.

August 17, 1881.—A freight train ran into the mail car at Emporia Junction, on the Atchison, Topeka and Santa Fé Railroad, knocking the mail car on its side. The letter mail and part of the paper mail were damaged by the water from the buckets and cooler, and oil from three lamps that were broken. All of the mail was gathered and turned over to the postmaster at Parsons, Kans.

August 24, 1881.—Train was ditched at Converse, Mo. Route Agent J. N. Thomas, in charge of the mail car, was considerably bruised, but not enough to disable him from duty. The mail was saved and properly forwarded.

September 5, 1891.—Train No. 91, west bound, was wrecked near Shenandoah, Iowa, the mail car and two passenger cars falling down an embankment 10 feet high. The route agent, Jacob Helman, was slightly bruised. A small quantity of mail was so badly damaged that it could not be forwarded. The rest was saved and cared for.

September 13, 1881.—While the Washington and Richmond railway post-office car was standing in the depot at Washington, D. C., it was run into by the shifting engine, throwing two sections of the letter cases into the middle of the floor, breaking three lamps and soaking several hundred letters with oil. The letters were forwarded to their destination.

September 24, 1881.—Tornado caught us at West Quincy, blowing the doors open and the ventilator from off the top of the car, wetting all of the letters. Water stood 6 inches high on the floor of the car.

September 26, 1881.—By a collision between trains Nos. 40 and 47, Richmond, Va., and Wilmington, N. C., railway post office, at Chester, Va., W. S. Hawkins, who was on duty on No. 40, and G. P. Rourke, on No. 47, were severely injured. N. B. Jones, of the same line, is now unable to perform duty on account of injuries received a few days ago. The mail was secured and transferred to another car without its having sustained any damage.

September 29, 1881.—The mail train on the Fort Dodge and Des Moines line encountered a very severe wind storm near Ripley, Iowa, and the entire train was blown off the track and overturned. Route Agent Luther L. Cassidy received a severe cut on one wrist and was very much shook up.

October 1, 1881.—Pouch was thrown under train at Mount Vernon, Iowa, cutting it up and badly damaging the paper mail. The letter mail was not injured. Pouch and contents were recovered by the postmaster.

October 3, 1881.—Postal car Montgomery, M. W. King in charge, was completely wrecked south of Bay Minette, Ala. Mr. King was badly bruised and internally injured. A part of the mail was damaged by the oil from broken lamps and by dirt and water. Most of it was recovered and forwarded.

October 27, 1881.—The steamer *Jennie Gilchrist* was sunk in the Mississippi River at the railroad bridge between Rock Island, Ill. and Davenport, Iowa, and two pouches containing two registered packages were lost.

October 21, 1881.—Within 2 miles of Augusta, Ga., the engine of the train ran over a cow, throwing it under the mail car causing a complete smash-up. The flooring of the mail car was ripped up forcing the

wheels through. The mail was transferred to another car without delay and forwarded.

November 7, 1881.—An accident occurred to the train of the Gaylord and Bay City agent, bound south, by which the mail car was badly damaged and the passenger coaches partially destroyed. The agent was not seriously injured, and none of the mail was lost. He has not been able to find his postmarking stamp since the accident.

November 13, 1881.—Mail car out of Cleveland, Tenn., ran off the track. No one injured, and no mail lost. Mail was delayed 3 hours.

November 17, 1881.—Train No. 15, Lehigh Valley Railroad, was wrecked at Wyalusing, and the mail badly scorched. With the exception of one pouch, that was burned, the mail was forwarded.

November 19, 1881.—The Havana and Springfield train bound south fell through a bridge 5 miles north of Springfield. Route Agent W. S. Allen was considerably hurt. The mail was all saved.

November 28, 1881.—Pouch and sack thrown off at Broken Straw, N. Y., struck edge of platform and bounded back against the car, badly damaging the canvas sack containing the paper mail, which was partially destroyed. The pouch was uninjured.

December 4, 1881.—Passenger train on the Western North Carolina Railroad ran off the track, and was precipitated down an embankment. There was a mail car attached to the train, which was completely wrecked.

December 5, 1881.—An accident occurred to the Louisville and Nashville railway post-office, bound north, train No. 4, day line, at Madison, Tenn., caused by the locomotive breaking loose from the train. The automatic brake on the remainder of the train failed to act, letting the cars overtake the engine, which was standing still. The shock was so great as to break in the front end of the postal car, knocking down the letter case and breaking the pouch rack. J. M. Bailhache, head clerk, and J. B. Brawner, assistant clerk, were on duty, and were both thrown down and somewhat injured. Mr. Bailhache was unable to perform duty for one week, and Mr. Brawner has not been on duty since the accident (December 19). A portion of the letter mail was damaged by water, but all was recovered from the wreck, and forwarded to destination.

December 20, 1881.—Mail steamer J. S. Hopkins, running between Evansville, Ind., and Cairo, Ill., was totally burned. The government property on the boat was destroyed, but the mail was saved.

December 23, 1881.—Mail train between Peoria, Ill., and Evansville, Ind., was ditched and wrecked near Lincoln, Ill. No mail lost. Route Agent O. F. Ashmore was badly bruised.

December 23, 1881.—A fire broke out in the Boston and Troy railway post-office, destroying some sacks of paper mail. It was extinguished before any material damage was done.

December 24, 1881.—Mail sack was thrown against the station-house at Pataskala, Ohio, rebounding and falling under the cars. The sack was badly damaged, but the contents were saved.

December 27, 1881.—Mail car No. 1 on the Texas and Saint Louis Railroad was burned near Wheatville, Tex. All the mail, with the exception of one registered package, was saved and delivered.

December 28, 1881.—Train No. 2, with postal car, collided with helper engine. No damage was done to the mail, but Route Agent S. N. Jackson was severely bruised in jumping from the car.

January 1, 1882.—The baggage car on train No. 5, Canada Southern Railroad, was totally destroyed by fire this morning. It contained all

the letter and paper mail for Michigan. The letter mail was very badly damaged by the water, while the paper mail was almost totally ruined. What was saved was sent to the Detroit post-office and there delivered.

January 1, 1882.—Baggage car on train No. 5, Pacific Express, caught on fire between Highgate and Ridgetown, and a number of bags containing mail matter were destroyed.

January 2, 1882.—The train of the Boston and Albany railway post-office, while passing a point $1\frac{1}{2}$ miles east of Wells, Me., broke through an iron bridge, causing the rear passenger cars to crush in the end of the postal car, which almost immediately took fire. The postal car and mail, with exception of one pouch, four registered packages, and books for record of registered mail, and a few letters picked up from the floor, were burned to ashes. N. G. Giddings, head clerk in charge of the postal, was bruised about the face, and, in endeavoring to save the mail, had his hair and whiskers singed by the fire.

January 5, 1882.—Mail bag was thrown from train at Cartersburgh, Ind., in such a manner that it was drawn under the cars and cut to pieces. Most of the mail was ruined.

January 6, 1882.—Mail car on Quincy and Trenton route was ditched near Milan. Route Agent John W. Potter was slightly injured. All the mail was saved and forwarded.

January 6, 1882.—Pouch thrown off at Stockwell, Ind., was drawn under the train and cut to pieces, badly damaging the contents.

January 15, 1882.—An accident occurred to train No. 50, Virginia Midland Railroad, near Rockfish, Va., in which the engineer was killed outright and the fireman very severely injured. Route Agent James W. Gleeson was thrown on his face, sustaining painful bruises. The mail was all saved and transferred to another train.

January 17, 1882.—Mail car of West Lebanon, Ind., and Le Roy, Ill. line was thrown off the track at Hedrick, Ind., and overturned. The letter mail was soaked with oil from an overturned can, but was all collected and forwarded to destination.

January 20, 1882.—Mail car of route from Fargo to Bismarck was thrown from the track near Spiritwood, Dak., and partially destroyed by fire. About half a dozen letters were entirely consumed and nineteen so badly defaced that they were unreadable. The balance of the mail was unharmed and properly forwarded.

January 21, 1882.—The railway post-office trains on the Charleston and Savannah Railroad collided near Adams Run, S. C., some 27 miles from Charleston, S. C. The south-bound postal car, No. 40, was in charge of Head Clerk H. A. Fox, Clerk B. H. Craft, and Acting Route Agent George E. Osborne. The north-bound postal, No. 43, was in charge of Clerk W. H. Burbridge, accompanied by Chief Head Clerk Mansfield. The two postal cars were completely demolished. Head Clerk Fox was instantly killed, Clerk W. H. Burbridge fatally wounded (since died), Acting Route Agent George A. Osborne fatally wounded (since died), Chief Head Clerk R. E. Mansfield seriously injured in the back and scalded, and Clerk B. H. Craft (colored) seriously wounded. His left arm was broken, left knee-cap dislocated, both feet crushed, left leg broken, contusion of right side. This man has recovered and is now on duty, October 10, 1882. The colored fireman, Bradley Scott, was killed. It is believed that all the mail was saved and properly forwarded.

January 26, 1882.—Sack of paper mail was thrown from train No. 1, Pittsburgh, Cincinnati and Saint Louis Railroad, at Dresden, Ohio, and

drawn under the cars and badly damaged. About thirty papers were destroyed.

January 28, 1882.—The catcher pouch was thrown from the Saint Albans and Boston railway post-office at Danbury, N. H., bounding back under the train. The pouch was completely destroyed, together with its contents. Besides the ordinary mail, it contained a registered package from Chicago, Ill., said to contain \$24.

January 31, 1882.—Tie-sack containing paper mail for Marseilles, Ind., was thrown from the Chicago and Iowa City railway post-office at the depot at that place, bounding back and falling under the cars, where it was badly cut. The contents were partially destroyed.

February 1, 1882.—The catcher pouch for Grafton, Mass., thrown from the Boston and Albany railway post-office, was carried on to Westborough, having fallen under the train at Grafton. The pouch and contents were very badly damaged.

February 2, 1882.—Pouch thrown from Boston and Troy railway post-office at North Leominster, Mass., bounded under the train and was carried to Fitchburgh, Mass. The paper mail was destroyed, but the letter mail was saved.

February 3, 1882.—Postal car No. 75, Chicago and Cincinnati railway post-office, was badly wrecked at Montmorency, Ind., on account of engine going off the track. Mail was all saved, but in a very demoralized condition, a large number of letters being saturated with oil from broken lamps. The mail was gathered up and turned into the Chicago post-office.

February 5, 1882.—The night express on the Chicago and Iowa City route ran over a tie-sack at the depot at Marseilles, Ind., ruining the sack and its contents.

February 7, 1882.—The mail train upon the Texarkana, Ark., and Whitesborough, Tex., route (Transcontinental Division Texas and Pacific Railway), was wrecked near Honey Grove, Tex. The locomotive and mail car went through a bridge falling some thirty feet, killing the engineer and fireman. Substitute Route Agent J. H. Smith was buried in the wreck and had to be cut out to be released. His injuries were not serious. The mails were saved without material damage.

February 7, 1882.—Mail sack thrown from train No. 1, Albany and New York railway post-office, at Yonkers, struck a snow-bank and bounded back under the train. The sack and its contents were entirely destroyed.

February 7, 1882.—The catcher pouch was knocked from the crane at East Orange, N. J., and was run over by the cars, partially destroying the pouch and its contents.

February 10, 1882.—Pouch for Thompsonville, Conn., thrown from the Boston and New York railway post-office, struck the gate at the street-crossing at Thompsonville, rebounding under the cars. The pouch was very badly damaged and a number of papers destroyed. The letter mail was uninjured.

February 15, 1882.—Washington and Charlotte railway post-office ran into a land slide near Orlando, Va., on the Virginia Midland Railroad, resulting in the death of the engineer and injuring the fireman and head clerk, James M. T. Gleeson. No mails were lost or damaged. Mr. Gleeson was incapacitated from duty for 29 days.

February 16, 1882.—Mail thrown from train No. 1, Albany and New York railway post-office, at Rhinecliff, N. Y., was run over by the cars and badly damaged.

February 19, 1882.—Mail train leaving Charlotte for Wilmington, N. C., was thrown from the track by a broken rail. The mail car was

overturned and considerably broken up. The mail was slightly damaged and Route Agent H. T. Rollins somewhat injured.

February 22, 1882.—Pouch from Chicago and Burlington railway post-office thrown off at Burlington, Iowa, was run over by switch-engine at that point and a small portion of the contents damaged.

February 27, 1882.—The Chicago and Cincinnati railway post-office leaving Chicago at 8 p. m. collided with a freight train at Homewood, Ill., the postal car being badly wrecked. No mail was lost or damaged.

March 1, 1882.—Train No. 110 was wrecked near Toll Gate, Va., and the baggage car in which there were some sacks of paper mail was burned, together with the mail it contained.

March 4, 1882.—Pouch thrown from the Chicago and Saint Louis railway post-office, night line, for the day line at Chicago, Ill., was caught by the engine of an incoming train and cut, and a portion of the contents totally destroyed.

March 6, 1882.—The Chicago and Cedar Rapids railway post-office, night line, leaving Chicago at 9.30 p. m., when near the limits of the city, collided with a freight train. The engine of the latter had become unmanageable and was coming down the track at a rapid rate, the engineer and fireman having jumped off to save their lives. As a result of the collision the engine was driven some 6 feet into postal car No. 13. Head clerks, S. O. Prickett, night line, and Frank Sutton, day line, were at work at the letter case in this end of the car. They were driven back under a section of the paper rack. Sutton had both thighs somewhat sprained, right foot bruised, back of head cut, and was generally bruised. Prickett was injured very slightly. Clerk C. L. Shaffer and Assistant Clerk L. S. Manville were not injured in any way. The car at once took fire and its interior was pretty effectually destroyed. The registered matter was saved, together with twenty packages of letters. The balance of the mail was destroyed, as was also the personal property the clerks.

March 7, 1882.—The Knoxville and Caryville agent ran off the track and fell through a trestle, wrecking the train. All the mail was saved. Route Agent J. W. Ault was considerably bruised.

March 17, 1882.—Pouch thrown from the Chicago and Cincinnati railway post-office at Weisburgh, Ind., was drawn under the train and dragged 4 miles. The pouch and contents were entirely destroyed.

March 20, 1882.—A fire was discovered in the postal car at Keokuk, Iowa (Keokuk and Saint Louis line), and before it was extinguished one sack of paper mail was entirely burned and two others somewhat injured. The rest of the mail was saved.

April 17, 1882.—The mail car on the route between Leavenworth and Clay Centre, Kans., was ditched 5 miles west of Garrison. Route Agent T. L. Johnson was slightly bruised. No mail was damaged.

April 18, 1882.—As the east bound train on the Indianapolis and Peoria route was pulling into Ogden, Ill., the brakes would not work, and the train ran by the station into a freight train that was standing partly on the main track. J. Baker and L. Green, clerks on the mail car, were severely cut and bruised. The mail was saved.

May 4, 1882.—The Jacksonville and Chattahoochee railway post-office collided with a log train near White House, Fla. The engineer and fireman were instantly killed, and Route Agent A. C. Lightbourne was bruised about the body. The mail was saved and taken back to Jacksonville.

May 5, 1882.—Mail car on the Logansport and Warsaw line, bound west, went through a bridge near Burnside, Ill. Route Agent E. V.

Cox, who was on duty at the time, went down with the car, which landed in about 10 feet of water, and was carried through one of the windows by the force of the current. He returned as soon as possible, and saved all of the mail that could be recovered. About one-fourth of the mail was swept away, and the paper mail was so thoroughly soaked that it was of no account whatever.

May 11, 1882.—Mail train, south bound, on the Kansas and Texas Division of the Missouri Pacific Railway, was wrecked in a collision near Oswego, Kans., by a runaway engine. The tender to engine of mail train was partially telescoped into the postal car, entirely demolishing the letter cases and damaging a portion of the mail. Head Clerk J. S. Weaver, Hannibal and Denison railway post-office, was bruised considerably. Assistant Railway Postal Clerk H. Kendall escaped without injury.

May 11, 1882.—Mail train on the Memphis and Little Rock Railway was wrecked near Carlisle, Ark., the mail car being ditched and turned completely over. Some empty canvas sacks caught fire and were consumed, and a small quantity of letter and paper mail was damaged by the oil from broken lamps. The engineer, fireman, and two express messengers connected with the train were more or less injured, but Route Agent H. C. Chase escaped with very little injury.

May 19, 1882.—The Charleston and Jacksonville railway post-office, when near Jacksonborough, S. C., struck a cow and was badly wrecked. The engineer, conductor, and fireman were injured, but the clerk in charge of the postal car escaped uninjured. The mail was saved, and transferred to another car and forwarded to destination.

May 19, 1882.—The mail train on the Gunnison Division of the Denver and Rio Grande Railway was wrecked by being derailed, the engine, mail and baggage car, and all the passenger coaches being overturned. The letter mail was considerably soiled, but not so badly as to render it unreadable. All the mail was forwarded to destination.

May 20, 1882.—Train No. 42, Richmond, Fredericksburgh, and Potomac Railroad, when near Richmond, Va., collided with a freight train on side track, damaging the postal car, and crippling Clerk B. M. Laws, and slightly injuring Head Clerk J. Q. West, and E. Thompson, a clerk in Superintendent Vickery's office. The mail sustained no damage.

May 31, 1882.—West-bound train on Texas and Pacific Railway (Texas, Ark., and El Paso, Tex., route) was wrecked near Colorado, Tex., by the breaking of wheel of forward truck of locomotive when approaching a bridge, and the engine, mail and express cars were thrown from the track, breaking through the bridge, falling some 25 feet. Route Agent S. A. Stuart, who was on duty at the time, was very seriously bruised and scalded. The mail was saved and forwarded, though a part of it was in bad condition.

June 9, 1882.—Mail car No. 51, Calmar and Mitchell railway post-office, bound west, was wrecked at Canton, Dak. The route agent, Butler Lowmy, was obliged to cut himself out of the car. The registered mail was all saved, together with most of the ordinary mail, some of it being damaged by oil and water.

June 16, 1882.—The Clarksburgh and Weston railway post-office ran off the track at Loveberry Bend, W. Va., about 2 miles south of Clarksburgh, and fell over a trestle, taking with it the mail car and the entire train. Route Agent Benjamin W. Jackson saved himself by jumping from the car. There were two persons killed outright in the accident and sixteen persons more or less injured. The mails were saved and properly forwarded.

June 19, 1882.—Train No. 52, leaving Washington, D. C., yesterday, was wrecked at 7 o'clock this morning at Fall Creek, Va., about 6½ miles north of Danville, in a collision with a freight train. The mail was secured and forwarded to Danville. Messrs. Cook, Larrabee, and Carr, the clerks on duty in the postal car, were knocked about and cut and bruised, but not seriously.

June 29, 1882.—The Chicago, Foreston and Dubuque railway post-office was wrecked a short distance east of Maryland, Ill., the track having been washed out by a terrible rain-storm and waterspout. Head Clerk Best and O. M. Welch were on duty at the time. Mr. Best was thrown out of the car into 5 feet of water, and a package of letters which he had in his hand was lost. He was not injured, nor was Mr. Welch. All of the mail was badly damaged by the water, but it was secured and forwarded to the Chicago post-office.

RECAPITULATION.

Number of casualties.....	83
Employés killed	3
Seriously injured	16
Slightly injured	59
Total killed and wounded	79

TABLE I.—Recapitulation of casualties in the railway mail service from 1875 to 1882.

Year ended June 30.	Total number of casualties.	Number of clerks killed.	Number of clerks seriously wounded.	Number of clerks slightly wounded.	Remarks.
1875.....	0	0	0	0	No frequency.
1876.....	0	0	0	0	
1877.....	27	0	10	4	
1878.....	10	0	0	0	
1879.....	14	0	0	0	
1880.....	16	0	0	15	
1881.....	30	7	14	22	
1882.....	56	3	22	29	
Total	260	10	34	77	

REPORT OF THE THIRD ASSISTANT POSTMASTER-GENERAL.

POST-OFFICE DEPARTMENT,
OFFICE OF THE THIRD ASSISTANT POSTMASTER-GENERAL,
Washington, D. C., November 1, 1882.

SIR: I have the honor to submit the following report and accompanying tables, numbered from 1 to 19, inclusive, pertaining to the business of this office for the fiscal year ended June 30, 1882, viz:

No. 1. Explanation of estimates of appropriations for the office of the Third Assistant Postmaster-General for the fiscal year ending June 30, 1884.

No. 2. Statement exhibiting the receipts and expenditures, under appropriate heads, by quarters, for the fiscal year ended June 30, 1882, compared with the fiscal years ended June 30, 1881, and June 30, 1880.

No. 3. Statement showing itemized appropriations for the service of the Post-Office Department for the fiscal year ended June 30, 1882, and the expenditures made out of the same.

No. 4. Statement showing receipts and disbursements at Treasury depositories during the fiscal year ended June 30, 1882.

No. 5. Statement showing receipts and disbursements at depository post-offices for the fiscal year ended June 30, 1882.

No. 6. Statement showing the issue in detail of all of the several kinds of adhesive postage-stamps, stamped envelopes, and postal cards for the fiscal year ended June 30, 1882.

No. 7. Statement showing separately the issues of official postage-stamps for the fiscal year ended June 30, 1882.

No. 8. Statement showing the issues of postage-stamps, stamped envelopes, newspaper wrappers, and postal cards by denominations for the fiscal year ended June 30, 1882.

No. 9. Statement showing the increase in the number and value of postage-stamps, stamped envelopes, and postal cards issued for the year ended June 30, 1882, over those of the preceding year.

No. 10. Statement showing dead mail matter treated in the division of dead letters during the year ended June 30, 1882.

No. 11. Statement showing the disposition of mail matter opened in the division of dead letters during the year ended June 30, 1882.

No. 12. Statement showing number of pieces, classification, and disposition of unmailable matter received at the dead-letter office during the year ended June 30, 1882.

No. 13. Statement showing the number of foreign dead letters, &c., received and disposed of during the year ended June 30, 1882.

No. 14. Statement showing the number of pieces of dead mail matter returned to and received from each of the foreign countries during the fiscal year ended June 30, 1882.

No. 15. Statement showing the number, classification, and disposition of dead registered letters, &c., during the year ended June 30, 1882.

No. 16. Statement showing the number of registered letters and parcels from each State and Territory in the United States transmitted through the mails during the year ended June 30, 1882.

No. 17. Statement showing the number and value of registered letters and packages forwarded for the Post-Office Department and Treasury Department during the fiscal year ended June 30, 1882.

No. 18. Statement showing the increase of registered letters and parcels

upon which fees were collected at twenty-five of the leading cities during the fiscal year ended June 30, 1882, over the preceding year.

No. 19. Statement showing the operations of the registry system at the cities of New York, Philadelphia, Chicago, Saint Louis, and Washington, during the fiscal year ended June 30, 1882.

FINANCIAL STATEMENT.

The receipts and expenditures of the department during the fiscal year ended June 30, 1882, were as follows:

Receipts:	
Letter postage, paid in money	\$51,385 32
Box rents	1,602 132 91
Fines and penalties	30,420 00
Sales of postage stamps, stamped envelopes, newspaper wrappers, and postal cards	39,703 307 00
Dead letters for which no claimants could be found	7,007 00
Net revenue from money-order business	20,707 30
Miscellaneous	11,483 00
Total	41,876 418 15
The expenditures for the service of the year were	40,032 004 75
Excess of receipts	1,844 413 40

In addition to the expenditures for the service of the year, the sum of \$442,386.18 was paid on account of indebtedness of previous years, making the total amount expended during the year \$40,482,021.23. Of the \$442,386.18 above, \$399,314.58 was for the service of the fiscal year ended June 30, 1881, which, added to the amount previously paid (\$39,251,736.46), as shown in the annual report of the Postmaster General for 1881, makes the total expenditures thus far made on account of that year \$39,651,051.04. The outstanding liabilities for service of the year ended June 30, 1882, have been placed, at a close estimate, at \$328,550.46, which, added to the amount already paid (\$40,939,034.75), would make the total expenditures and liabilities for the year \$40,368,185.21, an excess of \$717,134.17, or 1.8 per cent., over the amount thus far paid for the service of the year ended June 30, 1881.

In the single item of compensation to postmasters, which is regulated by law, the increased expenditure was \$905,933.93, leaving only \$51,200.21 as the aggregate increase in all the remaining items.

In Table No. 2, which accompanies this report, will be found a detailed statement by quarters of the receipts and expenditures for the fiscal year ended June 30, 1882, and a comparison of the same with the two years immediately preceding.

The gross receipts for the year were \$5,091,012.18, or 13.8 per cent., more than those of the preceding year. The increase from the sale of postage-stamps, stamped envelopes, and postal cards was \$4,867,611.90, or 13.9 per cent.; from box rents and branch offices, \$152,682.34, or 10.1 per cent.; from proceeds of money-order business, \$65,186.90, or 22 per cent.; from fines and penalties, \$1,673.55, or 29.6 per cent.; from dead letters, \$1,073.23, or 16.2 per cent.; and from "miscellaneous" sources, \$3,007.11, or 9.5 per cent. There was a decrease of \$3,223.91, or 3.1 per cent., in the amount of letter postages paid in money.

In Table No. 3 will be found a statement showing the appropriations by items for the service of the last fiscal year, and the amounts expended out of the same. The total amount appropriated was \$45,512,027.82, covering forty-four specific items. In three of these items the full

amounts appropriated were expended; in thirty-seven items there were unexpended balances aggregating \$3,512,513.11; and in the remaining four items the expenditures exceeded the appropriations in the total sum of \$9,450.03, leaving a net excess of appropriations over expenditures of \$3,503,063.08. The largest single unexpended balance was in "star service," the appropriation for which was \$7,900,000, the expenditure \$5,704,466.33, and the amount left unexpended \$2,195,533.67.

The appropriation for mail transportation by railroads was \$10,608,282, of which \$10,286,085 was expended, leaving an unexpended balance at the close of the year of \$322,197. The expenditure for railroad transportation does not, however, cover the entire cost of that service, the law, as construed by the officers of the Treasury (see v. 20, Stat., p. 420), providing that the earnings of certain of the Pacific railroads for mail transportation shall not be treated among the expenditures of the Post-Office Department. The circumstances of the case are, briefly, that to aid in the construction of certain railroad lines to the Pacific Ocean the United States, by various acts of Congress, issued to the companies constructing these lines large amounts of bonds, the principal of which, with the interest, was to be reimbursed at maturity. To assist in securing the payment of this indebtedness the government was authorized to withhold a portion or all of the earnings of the several roads for transporting the mails, &c., and to credit the companies with the amounts thus withheld in the accounts between them and the Treasury. Prior to 1879 the moneys so earned by these companies for transporting the mails were paid out of the usual appropriations for the service of the Post-Office Department by warrants in favor of the Secretary of the Treasury, and were, therefore, included in the expenditures of the department. Since that year, however, under the requirements of the act of Congress of March 3, 1879, before referred to, the amounts have been merely certified to the Register of the Treasury by the Auditor for the Post-Office Department, and credited on the books of the Treasury Department to the companies in their accounts with the government for principal and interest of the bonds. The amounts thus certified, as will appear from the Auditor's reports, have been as follows:

For fiscal year ended June 30, 1879.....	\$712,209 31
For fiscal year ended June 30, 1880.....	995,604 93
For fiscal year ended June 30, 1881.....	1,100,689 65
For fiscal year ended June 30, 1882.....	1,214,185 37

Of the \$1,214,185.37 certified during the last fiscal year \$36,011.32 was for previous years, leaving the net amount for the service of the year \$1,178,174.05.

Under the law referred to none of the above amounts were included in the postal expenditures for the years to which they severally belong. The amounts cover the entire earnings of the several companies for carrying the mails, together with those of their branch and leased lines.

AMOUNT DRAWN FROM THE TREASURY.

The only sum drawn from the general Treasury during the year was the following, in accordance with special appropriation made by Congress:

To pay schedule claims authorized by act approved August 5, 1882 (Statutes, Public No. 205, pp. 27 and 30), for the service of the year 1879 and prior years, as appears more fully by the report of the Auditor, \$6,595.12.

CONDITION OF DEFICIENCY APPROPRIATIONS.

The following statement shows the condition of appropriations from the general Treasury to supply deficiencies in the postal revenues, viz:

1. For the fiscal year ended June 30, 1882, the amount appropriated from the Treasury to supply deficiencies in the postal revenue was \$2,152,258, which sum is still in the general Treasury, subject to requisition. As the postal revenues will undoubtedly prove sufficient to meet all the obligations, paid and unpaid, incurred during the year, the whole amount of the appropriation will remain in the Treasury, and by operation of law will cease to be available after the 30th of June, 1884.

2. For the fiscal year ended June 30, 1881, the amount appropriated out of the general Treasury to supply estimated deficiencies in the postal revenue was \$3,883,420, of which \$1,402,290.65 was left unexpended at the close of that year, \$883,420 being still in the Treasury undrawn, and \$518,870.65 in the hands of the Treasurer, subject to draft. Of this latter sum \$399,314.58 has since been expended on account of the service for the year ended June 30, 1881, leaving a total balance of \$1,002,976.07 still available for that year.

BAD DEBTS.

As will appear by the report of the Auditor, the postal revenue was charged during the last year with the following:

1. Amount of bad debts	\$136,548 90
2. Amount of balances compromised	6,733 98
	<hr/>
	143,282 88
Less amount of credits on suspended accounts	2,817 53
	<hr/>
Balance	140,465 35

Of this amount \$133,672.84 accrued between 1789 and 1856, the suspended accounts for that period having been reviewed and finally closed by the Auditor during the past year. The whole amount, however, constitutes a charge against the postal revenue for the year ended June 30, 1882.

TRANSACTIONS AT DEPOSITORIES.

The receipts and disbursements at Treasury and post office depositories during the last fiscal year may be briefly stated as follows:

At Treasury depositories:

Balance subject to draft June 30, 1881	\$3,651,905 38
Outstanding warrants June 30, 1881	67,537 68
Aggregate deposits during the year ended June 30, 1882	24,136,979 32
	<hr/>
Total	24,855,413 50
Amount of warrants paid during the year	12,803,367 65
	<hr/>
Balance at depositories June 30, 1882	6,816,845 85
Outstanding warrants June 30, 1882	80,100 46
	<hr/>
Balance subject to draft June 30, 1882	5,735,845 39

Transactions at these depositories in detail, with amount of increase or decrease as compared with the previous years are shown in Table No. 4, accompanying this report.

At post-office depositories:	
Balance subject to draft June 30, 1881.....	\$685, 178 69
Less credit balance June 30, 1881	122 26
	<hr/>
	685, 056 43
Aggregate receipts during the quarter ended September 30, 1881.....	2, 728, 551 15
	<hr/>
Total	3, 413, 607 58
Disbursements during the quarter	\$1, 880, 711 98
Transferred to other depositories.....	1, 582, 895 60
	<hr/>
	3, 413, 607 58

On the 30th September, 1881, the post-office draft system was abolished, and the eighty-six draft offices then existing were discontinued as such. On October 1, 1881, the warrant system was extended to include all payments made to creditors of the department, except postmasters having balances due them, and excepting also the disbursements made under the authority of law by postmasters.

Table No. 5, submitted with this report, exhibits the receipts and disbursements at the different post-office depositories in detail.

CONTRACTS ENTERED AND ACCOUNTS KEPT.

During the year there were 3,865 contracts for mail service received from the Second Assistant Postmaster-General, and 19,210 orders of the Postmaster-General (of which 9,605 were double) recognizing mail service not under contract, curtailing or extending service, or modifying previous orders, being a decrease of 1,442 contracts and an increase of 3,936 orders as compared with the previous year. The contracts and orders were entered upon the books of the division of finance for reference when acting upon reports from the Auditor for the payment of mail contractors and other creditors of the department. The number of such reports received and acted upon during the year was 45,537, an increase of 3,490 over the previous year.

Accounts were kept with the Treasury, nine sub-treasuries, and thirty-nine designated depositories, involving the sum of \$20,998,144.72, against which 38,851 warrants were issued. Accounts were also kept with eighty-six post-office depositories, involving the sum of \$3,413,607.58, of which \$978,430.24 arose from the proceeds of the depository offices themselves and \$1,750,120.91 from deposits by other offices. Against the accumulations in the depository offices 6,786 drafts were issued, amounting to \$1,433,973.85. In addition to the amount paid out by draft, the sum of \$396,738.13 was paid to route agents, railway post-office clerks, mail messengers, and letter-carriers, by the postmasters authorized to make such payments, the accounts for which were rendered monthly to this office.

ESTIMATES FOR 1884.

The postal revenue for the year ending June 30, 1884, is estimated at..	\$50, 670, 456 27
The expenditures for the year, as shown in the estimates that have been approved by the Postmaster-General, are placed at.	46, 741, 111 25
	<hr/>
Leaving an estimated surplus of revenue of	3, 929, 345 02

In estimating the revenue allowance is made for an annual increase of 10 per cent. on the revenue of the last fiscal year, making the estimated revenue for the present year \$46,064,051.16, and for the next year

\$50,670,456.27, as stated above. There was an increase of revenue for 1880 over 1879 at the rate of 10.8 per cent., for 1881 over 1880 of 10.1 per cent., and for 1882 over 1881 of 13.8 per cent. The returns from a large number of the principal offices for the quarter ended September 30 of the present year indicate an increase of nearly 12 per cent. over the corresponding quarter of last year. The full amounts of the estimates are likely to be realized, unless there should be unexpected reverses in the business prosperity of the country, or changes in the existing classification of mail matter and the rates of postage, injuriously affecting the postal revenue.

APPROPRIATIONS, EXPENDITURES, AND ESTIMATES FOR THE SERVICE OF THIS OFFICE.

The aggregate appropriations for the service of this office for the year ended June 30, 1882, were \$1,074,544.35, of which \$909,982.03 was expended, leaving an unexpended balance of \$164,562.32, or 15.3 per cent. of the total amount appropriated. The expenditures for the year were only \$22,428.94, or a little more than 2.5 per cent., over those of the preceding year. This slight excess, in face of the large increase in the supplies for which the expenditures were principally incurred, was owing to new contracts entered into at the beginning of the last fiscal year at reduced rates for adhesive postage-stamps and postal cards. The old contracts superseded others at still higher rates existing up to the 30th of June, 1877, so that the expenditures of this office for the year ended on that date were only \$64,675.20, or 7 per cent., less than those for the fiscal year ended June 30, 1882, while the total number of postage stamps, stamped envelopes, postal cards, and official envelopes issued during the latter year was 701,982,969, or 65.2 per cent., in excess of the total number issued for the year 1877. The estimates for the next fiscal year, with the explanations thereof, will be found in paper marked No. 1, attached to this report.

DIVISION OF POSTAGE-STAMPS, STAMPED ENVELOPES, AND POSTAL CARDS.

The operations of this division during the year may be summarized as follows: The number of ordinary postage-stamps issued to postmasters for sale to the public during the year was 1,114,560,330, valued at \$28,679,528; of newspaper and periodical stamps, 2,214,893, valued at \$1,602,069.70; of postage-due stamps, 11,375,310, valued at \$352,170; of official postage-stamps, 2,319,555, valued at \$139,991.75; of ordinary stamped envelopes, plain, 114,774,700, valued at \$2,994,868.82; of stamped envelopes bearing a printed return request, 100,704,250, valued at \$3,163,894.85; of newspaper wrappers, 41,086,500, valued at \$500,208.80; of postal cards, 351,498,000, valued at \$3,516,015; and of official stamped envelopes and wrappers issued to the War Department for official use, 2,037,500, valued at \$29,306.50; making a total number of 1,740,571,038, and a total value of \$40,978,053.42.

These issues show an increase in value over those of the preceding year as follows: Of ordinary postage-stamps, \$4,638,901, or 19.2 per cent.; of newspaper and periodical stamps, \$203,395.70, or 14.5 per cent.; of postage-due stamps, \$97,777, or 38.4 per cent.; of official postage stamps, \$32,214.43, or 29.8 per cent.; of ordinary stamped envelopes, plain, \$347,301.08, or 13.1 per cent.; of ordinary stamped envelopes, return request, \$539,413.10, or 20.5 per cent.; of newspaper wrappers, \$69,054.20, or 16 per cent.; and of postal cards, \$429,410, or 13.9 per cent. There was a decrease in the issue of official stamped envelopes

and wrappers for the use of the War Department amounting to \$4,849, or 14.1 per cent.

The total increase in the value of all the issues was \$6,352,617.51, or 18.3 per cent.

In addition to the foregoing articles, there were issued for official use 9,711,500 registered package envelopes, 835,750 tag envelopes for registered parcels, 23,724,300 post office envelopes, 1,025,000 envelopes for returning dead letters, 285,000 international money-order envelopes, and 1,395,000 departmental envelopes for the use of the several bureaus of this department.

The requisitions upon which the foregoing supplies were issued numbered as follows :

For ordinary postage-stamps.....	135,530
For newspaper and periodical stamps.....	10,840
For postage-due stamps.....	13,689
For stamped envelopes, plain.....	64,400
For stamped envelopes bearing a return request.....	79,322
For postal cards.....	78,431
For official postage-stamps and stamped envelopes.....	29
For registered-package envelopes.....	54,754
For tag envelopes for registered packages.....	1,370
For post-office envelopes.....	24,802
For newspaper and periodical receipt-books.....	1,543
Total.....	464,710

These supplies were made up and forwarded in the following number of parcels:

Of ordinary postage-stamps.....	139,413
Of postage-due stamps.....	13,685
Of newspaper and periodical stamps.....	9,825
Of stamped envelopes, plain.....	94,862
Of stamped envelopes, printed.....	72,362
Of postal cards.....	85,065
Of official postage-stamps.....	26
Of official stamped envelopes.....	86
Of registered-package envelopes.....	56,850
Of tag envelopes for registered packages.....	1,370
Of post-office envelopes.....	31,802
Of newspaper and periodical receipt-books.....	1,543
Total.....	506,839

The following is a comparative statement of requisitions filled during the past and preceding fiscal years:

Articles.	Requisitions filled during fiscal year ended June 30, 1882.	Requisitions filled during fiscal year ended June 30, 1881.	Increase.
For ordinary postage-stamps.....	135,530	128,502	7,028
For postage-due stamps.....	13,689	8,846	4,843
For newspaper and periodical stamps.....	10,840	10,021	819
For stamped envelopes, plain.....	64,400	60,462	3,938
For stamped envelopes, printed.....	79,322	69,153	10,169
For postal cards.....	78,431	71,440	7,011
For official postage-stamps and stamped envelopes.....	29	33	4
For registered-package envelopes.....	54,754	52,103	2,651
For tag envelopes.....	1,370	56	1,314
For post-office envelopes.....	24,802	23,259	1,543
For newspaper and periodical receipt-books.....	1,543	7,013	5,470
Total.....	464,710	430,868	133,842

* Decrease.

† Or 7.8 per cent. net increase.

POSTAGE ON SECOND-CLASS MATTER.

The weight of newspaper and periodical (second-class) matter mailed during the year from regular offices of publication and from news agencies, not including free circulation within the county of publication, was 78,255,164 pounds, or 39,127,118⁴/₁₀₀₀ tons, the postage on which was \$1,565,103.28, an increase of \$166,054.64, or 11.15 per cent., over the amount of postage collected on such matter during the preceding year.

The number of post-offices at which this class of matter was mailed during the year is 5,080, an increase of 259, or 5.37 per cent., over the number for the previous year.

The following table shows the number of pounds of newspapers and periodicals mailed during the year and the amount of postage collected thereon at sixteen of the principal post-offices in the United States:

Post-office at—	Year ended June 30, 1881.		Year ended June 30, 1882.		Increase for 1882.			
	No. of pounds of matter.	Amount of postage col- lected.	No. of pounds of matter.	Amount of postage col- lected.	In number of pounds.	In amount of postage.	Percentage of increase.	Percentage of total amount collected in the United States.
New York, N. Y.	10,349,498	\$986,817.96	21,279,330	\$425,586.60	10,929,832	\$561,231.64	56.8	31.19
Chicago, Ill.	7,093,395	149,678.50	7,761,695	155,233.90	7,778,300	15,555.40	10.5	9.92
Boston, Mass.	4,163,075	83,261.50	4,819,700	96,324.00	656,625	13,062.50	15.6	6.11
Philadelphia, Pa.	3,569,202	70,184.04	4,228,569	84,576.73	719,367	14,392.74	20.5	5.43
Saint Louis, Mo.	3,223,492	64,469.84	3,472,244	69,444.86	248,752	4,975.02	7.6	4.44
Cincinnati, Ohio	3,274,289	55,485.78	2,786,313	55,726.16	11,774	241.38	0.4	3.60
Augusta, Ga.	3,274,289	65,937.76	2,372,955	51,141.10	679,334	14,796.66	22.3	3.22
San Francisco, Cal.	1,197,623	23,940.58	1,846,873	26,867.46	149,250	2,926.88	12.5	1.71
Detroit, Mich.	1,049,024	21,389.46	1,133,707	22,674.14	84,683	1,284.68	6.0	1.43
Milwaukee, Wis.	848,461	16,969.22	965,564	19,044.62	117,103	2,075.40	12.5	1.21
Louisville, Ky.	904,032	18,080.84	956,564	19,131.28	52,532	1,050.44	5.8	1.22
Cleveland, Ohio.	878,119	17,512.38	779,541	15,590.82	98,578	2,021.56	11.5	1.06
Pittsburgh, Pa.	715,519	14,310.38	793,918	15,875.06	78,399	1,564.68	10.8	1.00
Saint Paul, Minn.	552,632	11,652.64	734,246	15,024.80	181,614	3,372.16	29.3	0.82
Toledo, Ohio.	564,063	14,081.26	716,472	14,399.44	15,409	248.18	1.8	0.60
Baltimore, Md.	614,691	12,281.82	674,816	13,395.52	60,125	1,113.70	9.0	0.85
	50,749,248	1,014,984.36	56,028,219	1,196,764.19	4,288,971	\$8,779.83	8.6	50.00

* Decrease.

Since January 1, 1875, the postage on newspapers and periodicals mailed by publishers and news agents to regular subscribers, or news agents has been prepaid at pound rates. The matter is weighed in bulk, and the postage paid with special adhesive stamps, officially designated as newspaper and periodical stamps. A receipt is given the publisher or news agent for each consignment of matter, and the proper amount of stamps is affixed to the stub in the receipt-book, on which is also entered a memorandum showing the name of the publication the date of mailing, the weight of matter, and the amount of postage collected. The postmaster is required to render a quarterly statement to this office showing the total weight of matter mailed and amount of postage collected from each publisher and news agent during the quarter. The stamps are charged to the postmaster's account when issued, and if affixed to the stubs and canceled, the revenue is secured to the government. To insure this postmasters are required at the close of each quarter to send the stubs used during the quarter to this office, where they are carefully examined and compared with the memorandum entries and with the quarterly statements. Discrep-

ancies are not infrequently discovered, and postmasters are required to make good all deficiencies. But undoubtedly the most important benefit of requiring the return of the stubs is in admonishing postmasters to properly apply and cancel the stamps, when, through neglect or design, this duty would often be omitted if the stubs were permitted to remain in the post-office. The examination of the stubs of course imposes much labor, but the expenditure is well repaid. During the last year examinations were made of the stubs in 22,432 receipt-books, and 19,032 quarterly statements were examined and recorded. The sum of \$1,733.55 was collected at proper rates from publishers and news agents on matter mailed but not entitled to go as second-class matter.

NEW CONTRACT FOR STAMPED ENVELOPES AT REDUCED PRICES.

During the year the preliminary steps were taken for obtaining a new contract for stamped envelopes and newspaper wrappers, the old contract expiring on the 30th September. Substantially the same course was pursued as when the late contract was entered into, four years ago. Under date of May 1, 1882, advertisements were published in various newspapers in the principal cities, inviting sealed proposals from envelope manufacturers, until 12 m. of the 8th day of June, for all the stamped envelopes and wrappers that the department might order during the contract term of four years, commencing on the 1st October. Full and explicit specifications as to the requirements accompanied the blank form of proposals furnished to bidders, to which were attached samples of the various sizes and grades called for. The standards of the several grades of paper were prescribed, the character of the materials entering into their composition, the weight per ream of specified sizes, and other particulars connected with the manufacture of the paper being fully set forth. Other specified requirements related to the manufacture of the envelopes and wrappers, the preparation and control of the dies for embossing the stamps, the security of the building used for manufacture, the sufficiency of stock to be kept on hand, the place and manner of delivery, the mode of packing for shipments, the destruction of spoiled work, the manner of inspection by the agents of the department, and, in short, to all the particulars needful to secure the interests of the government in connection with the contract. Bids were to be made for each item separately, and it was provided that the award should be made as a whole to the lowest responsible bidder in the aggregate on the basis of the actual number of each of the several kinds issued during the year ended March 31, 1882, the total issues of that year having aggregated 249,308,750 envelopes and wrappers. The forfeiture for failure of the successful bidder to enter into contract was placed under guarantee at \$50,000, and the penalty of the bond for non-performance of contract at \$200,000. On the day fixed for the receipt of bids (June 8) five sealed proposals were submitted, and on being opened and examined by the Postmaster-General and myself, in the presence of the bidders and others, the names of the bidders and the amounts of their respective bids, on the basis referred to, were found to be as follows:

1. The Plimpton Envelope Company, of Hartford, Conn., and the Morgan Envelope Company, of Springfield, Mass	\$456, 197 58
2. White, Corbin & Co., of Rockville, Conn	461, 842 90
3. The Holyoke Envelope Company, of Holyoke, Mass.....	464, 421 21
4. Geo. F. Nesbitt & Co., of New York City	470, 927 62
5. Wade H. Hill, of Worcester, Mass.....	476, 585 40

The closeness in amount between these several bids bears evidence to the exactness with which the requirements of the contract were estab-

lished by the specifications. The lowest bidders were the Plimpton and Morgan companies, who had held the contract for the two previous terms of four years each, and the new contract was accordingly awarded to them. The contract was duly executed, and its performance, entered into on the 1st October, is now satisfactorily progressing. The prices in the new contract average a reduction of nearly 7 per cent. from those in the old one. The law requires that stamped envelopes shall be sold at the cost of procurement, as near as may be, and accordingly a new schedule of prices has been adopted for the sale of the envelopes to the public at reduced rates. The present reduction follows one of about 20 per cent. four years ago under the contract then made. Under the new schedule the best quality note size envelopes will be sold, exclusive of the postage value, at \$1.60 per 1,000; of full letter size, at \$2 per 1,000; of commercial size, at \$2.20 per 1,000; of extra letter size, at \$2.40 per 1,000; of official size, at \$3.60 per 1,000; and of extra official size, at \$4 per 1,000. The second quality envelopes are sold at 20 cents per thousand less than these prices, and the third quality envelopes at 20 cents per thousand less than the second quality, for corresponding sizes.

The full letter and extra letter sized ungummed envelopes for circulars are sold at \$1.20 and \$1.40 respectively, and the newspaper wrappers at \$1 per 1,000, in addition to postage.

To illustrate the great reduction in the price of stamped envelopes during the past few years, a letter size envelope, which in 1869 was sold at \$4.80 per 1,000, is now furnished in an equally good if not better grade at \$1.80 per 1,000. An extra letter size envelope, which then sold at \$6 per 1,000, can now be furnished in as good quality at \$2.40. The official size, then sold at \$8.60 per 1,000, is now offered in an equally good quality at \$3.40 per 1,000. The public has received the pecuniary benefits of these reductions, the envelopes being sold by the department, as before stated, at the cost of procuring them. Equally great reductions have been attained in the cost of other supplies. Adhesive postage-stamps, which in 1869 cost 27½ cents per 1,000, are now obtained at 9.19 cents per 1,000, and postal cards, first introduced in 1873, and then costing \$1.39½ per 1,000, are now procured at 54.43 cents per 1,000.

POPULARITY OF RETURN REQUEST SYSTEM.

The increasing popularity of the return request system is shown in the issues of stamped envelopes. The total number of stamped envelopes (excluding envelopes for circulars and newspaper wrappers) issued during the year ended June 30, 1877, was 129,199,450, of which 64,824,950, or 50.1 per cent., were plain and 64,374,500, or 49.9 per cent., were printed with special requests for return to writers. The issues for the year ended June 30, 1882 (excluding circular envelopes and wrappers), numbered 188,457,200, of which 87,752,950, or 46.5 per cent., were plain and 100,704,250, or 53.4 per cent., were printed with special requests to return. In other words, the increase in plain stamped envelopes from 1877 to 1882 was 35.3 per cent., while the increase in special request stamped envelopes was 56.4 per cent. No extra charge is made to the public for printing special return requests on stamped envelopes, but they are not furnished in lots of less than 500 each. The contract for stamped envelopes provides that the printing shall be done by the contractor without additional cost to the department.

NEW FIVE-CENT STAMP.

During the year a change was made in the design of the five-cent postage stamp, which is used mostly for correspondence with foreign countries. The following is a description of the new adhesive stamp: On a tablet is suspended an incised shield decorated with an oval of pearls forming a framework to the portrait of the late President of the United States, James A. Garfield, looking toward the left, engraved in line. At the base of the oval is a dark six-pointed star relieved by a white outline, and in the center the figure "5." Disposed on the right and left of the star flows a ribbon containing the legend "Five cents" in white Roman capitals. Below the star and ribbon, on the lower portion of the tablet, appear the words "U. S. Postage," engraved in dark letters. The color of the stamp is chocolate brown. The first issue of the new stamps was under date of April 10, 1882. The embossed stamp on the five-cent stamped envelopes has also been changed to pattern, as nearly as possible, after the design of the adhesive stamp. The new stamp is very much superior to the old one in style and workmanship, and it has been received with flattering expressions of popular approval.

DIVISION OF DEAD LETTERS.

The total number of pieces of mail matter received at the dead letter office during the year was 4,160,554, an increase of 486,349, or 13.2 per cent., over the number received during the previous fiscal year. The number remaining undisposed of at the close of the previous year was 124,731, making the total number in hand for treatment during the year 4,285,285, of which 4,225,685 were finally disposed of, and 59,600 were left on hand at the close of the year for further treatment. The following is the classification and number of pieces of matter in hand during the year:

Domestic mailed letters, including 3,049,952 ordinary unclaimed letters; 83,187 letters returned from hotels; 14,407 letters bearing fictitious addresses; 136,919 letters returned from foreign countries, and 4,124 registered letters.....	3,283,580
Domestic unmailable letters, comprising 275,240 held-for-postage letters; 954 letters containing unmailable articles; 274,715 misdirected letters, and 11,711 letters without address.....	562,620
Domestic parcels of third and fourth class matter.....	60,476
Letters mailed in foreign countries.....	356,287
Printed matter, samples, &c., mailed in foreign countries and returnable..	17,313
Total, as before.....	4,285,285

The following was the disposition primarily of the letters handled during the year:

Domestic mailed letters:	
Card and request letters delivered unopened.....	40,676
Letters opened.....	3,196,813
Letters left on hand.....	51,100
	3,288,589
Domestic unmailable letters:	
Held-for-postage letters forwarded to address unopened on receipt of postage.....	38,173
Held-for-postage letters opened.....	233,017
Held-for-postage letters left on hand to await return of notices.	4,050
Letters containing unmailable articles opened.....	954
Misdirected letters forwarded unopened after correction of address.....	99,267
Misdirected letters opened.....	175,448
Letters without address opened.....	11,711
	562,620

Domestic third and fourth class matter:

Parcels opened and returned	41,941	
Parcels opened and left on hand	15,633	
		56,574
Foreign matter:		
Letters delivered	351,897	
Letters still on hand	4,430	
Parcels of printed matter, samples, &c., returned unopened	17,313	
		373,639

MATTER OPENED IN DEAD LETTER OFFICE.

The following was the disposition of mail matter opened in the dead letter office:

Delivered:

Letters containing money	16,213	
Letters containing drafts, checks, and other evidences of monetary value	23,828	
Letters containing receipts, paid notes, &c.	11,588	
Letters containing postage-stamps	49,577	
Letters containing nothing of value	526,179	
Photographs	23,796	
Parcels of merchandise, books, &c.	41,841	
		732,932

Returned and awaiting evidence of delivery:

Letters containing money	1,325	
Letters containing drafts, checks, &c.	969	
Parcels of merchandise, books, &c.	7	
		2,301

Under treatment looking to delivery:

Letters containing money	1,454	
Parcels of merchandise, books, &c.	15,633	
		17,087

Filed, upon failure to deliver:

Letters containing money	3,579	
Letters containing drafts, checks, &c.	800	
Letters containing receipts, paid notes, &c.	3,143	
Letters containing postage-stamps	2,886	
Photographs	3,446	
Parcels of merchandise, books, &c.	17,624	
		35,449

Destroyed:

Letters containing nothing of value, including 89,000 letters forwarded to writers and returned upon failure to deliver	2,880,328	
Parcels containing magazines, pamphlets, fruit, cakes, seed, &c.	14,337	
		2,894,665

FOREIGN DEAD MAIL MATTER.

The following statement shows the disposition during the year of dead mail matter originating in foreign countries:

Returned to country of origin:

Registered letters	8,143	
Ordinary letters	36,631	
Parcels of printed matter, &c.	17,197	
		61,971

Delivered to addressees:

Registered letters	489	
Ordinary letters	594	
		683
Misdirected matter forwarded to corrected address:		
Ordinary letters	6,704	
Parcels of printed matter, &c.	110	
		6,814

On hand under treatment:

Registered letters	267	
Ordinary letters	4,847	
		5,114

Grand total

59 Ab

373,690

MATTER RETURNED FROM FOREIGN COUNTRIES.

The following number of pieces of matter originating in the United States was returned to the dead letter office from foreign countries during the year, as undeliverable:

Registered letters	982
Ordinary letters	136,919
Parcels of printed matter, &c.....	24,581
	<hr/>
	162,482

DEAD REGISTERED MATTER.

Included in the matter under treatment during the year were the following registered letters and parcels:

Number delivered to addressees or restored to senders	11,291
Returned to postmasters for delivery and awaiting receipts	35
Filed upon failure to discover ownership, subject to future reclamation.....	485
	<hr/>
Total.....	11,811

VALUABLE INCLOSURES.

Evidence of the great value of the inclosures found in many of the letters and parcels received and opened at the dead letter office will be disclosed by an examination of Table No. 13 herewith. Among them were 19,989 containing money to the amount of \$44,326.65; 24,575 containing checks, drafts, money-orders, &c., representing a value of \$1,962,413.73; 90,842 containing merchandise, books, &c.; 52,463 containing postage-stamps; 44,731 containing receipts, paid notes, &c.; and 39,242 containing photographs. The articles of merchandise are of every conceivable kind, and often of rare interest and great value.

REVENUE FROM DEAD MATTER.

The sum of \$3,739.02 was received for postage on insufficiently prepaid letters forwarded to destination, and upon articles of third and fourth class matter returned to the senders, and \$7,457.63, taken from dead letters which could not be restored to the owners, was deposited in the Treasury to the credit of the Post-Office Department. Statistics more in detail concerning the operations of the dead letter office will be found in tables numbered from 10 to 15 hereto attached.

CHANGE IN TREATMENT OF HELD-FOR-POSTAGE LETTERS.

An important change in the mode of treating "held-for-postage" letters, and insufficiently prepaid articles of third and fourth class matter, was made by a formal order of the Postmaster-General, bearing date of May 11, 1882, to take effect on the 1st of July next ensuing. The law requires that, to be entitled to admission into the mails, domestic letters (of whatever weight) shall be prepaid to the extent of at least one full rate of postage, and that third and fourth class matter shall be prepaid in full. The statute (section 3937, Revised Statutes) with respect to letters is in the following words:

All domestic letters deposited in any post-office for mailing, on which the postage is wholly unpaid or paid less than one full rate as required by law, except letters lawfully free, and duly certified letters of soldiers, sailors, and marines in the service of the United States, shall be sent by the postmaster to the dead letter office in Washington. But in large cities and adjacent districts of dense population, having two or

more post-offices within a distance of 3 miles of each other, any letter mailed at one of such offices, and addressed to a locality within the delivery of another of such offices, which shall have been inadvertently prepaid at the drop or local letter of postage only, may be forwarded to its destination through the proper office, charged with the amount of the deficient postage, to be collected on delivery.

The mode of treating letters held under this law was described on page 255 of the Postmaster-General's Report for 1879, as follows:

Those that bear a name and address, or a business card, post-office box, or other designation by which the writer can be identified, are immediately restored to the owner, or his attention invited to the deficiency of postage by the postmaster at the mailing office. Of the balance, all "local" or "drop" letters are delivered by the postmasters to the persons addressed, upon payment by them of the necessary postage, after due notice of the fact and cause of detention. The remainder are sent to the dead letter office, and are at once examined by an expert, who, taking into consideration the places of origin and destination of each letter, determines whether it can be returned to the writer in less time than would be required to collect the postage from the addressee and forward the letter to destination. And each letter is then treated in the way decided to be the quicker. Wherever a doubt exists as to where the difference is very small, the postage is collected and the letter forwarded, thus preserving the seal intact.

The first-class offices made daily and all other offices weekly returns of held-for-postage matter. Of the 129,507 letters received at the dead letter office during the six months ended December 31, 1881, 52,479, or 25 per cent., were forwarded to addressees; 80,523, or 62 per cent., were returned to the writers; and 13 per cent., containing no clue to identify the writers, were destroyed. The deliveries, therefore, represented 87 per cent. of the total number received.

The Postmaster-General's order of May 11, referred to, and the regulations made in pursuance thereof, provide that before sending held-for-postage letters to the dead letter office the addressees shall be given the opportunity of securing such letters direct from the mailing office upon furnishing the amount of stamps required to supply the deficient postage, in compliance with notice given by the postmaster. Upon failure of the addressees to respond within proper time the letters are to be sent to the dead letter office, as required by law. The order includes insufficiently prepaid third and fourth class matter within its provisions, but it does not, of course, apply to letters or other matter which bear the card or address of the sender, such matter being returned immediately to the party mailing it. The order was restricted in its operations to a number of the larger offices—those at which the free delivery system is employed—as it could not reasonably be expected that at the great mass of the smaller offices the work would be done with that degree of intelligence and promptness necessary to secure efficient results. It was thought best to draw the line, for the present at least, at the free delivery offices, it having been ascertained that fully 45 per cent. of all the held-for-postage letters received at the dead letter office from that class of offices bore two-cent stamps, thus exhibiting a great popular misapprehension of the difference between the rates of postage on local letters and those addressed to other post-offices.

The merits of the new plan are obvious. It would seem only just that the addressee, with the ultimate liability of being called upon for the deficient postage, should in the first instance be given the opportunity of paying it, and of thus securing possession at the earliest possible moment of the matter detained. And it admits of no question that, in the great majority of cases, matter can be delivered more speedily when sent direct from the mailing office than when forwarded from a common center (say the dead letter office) to which it must first be gathered for distribution.

The change was received with great favor, which has been fully justified by its results. Returns have been received from 97 of the free-delivery offices for the quarter ended September 30, showing that out of a total of 77,954 pieces of held-for-postage matter (letters and parcels) accruing at these offices, 59,711 pieces were forwarded to addressees upon receipt of the deficient postage; 11,767 were sent to the dead-letter office upon failure of the addressees to respond; and 6,476 received near the close of the quarter were still on hand awaiting the return of notices. Excluding these latter leaves the number of pieces finally treated by the mailing offices during the quarter at 71,478, of which those forwarded to the addressees represented about 84 per cent., and those sent to the dead-letter office about 16 per cent.

The large proportion of direct deliveries from the mailing offices has exceeded the most sanguine expectations, and it fully sustains the theory upon which the new treatment was founded, that the addressees would willingly pay the deficient postage rather than have the matter go to the dead-letter office, the notices sent to them presenting that alternative. No serious obstacles have been encountered in carrying the new order into practical effect, and in view of its present success it might be advantageously extended to a still larger number of the principal offices.

DIVISION OF REGISTRATION.

The total number of letters and parcels forwarded by registered mail during the fiscal year ended June 30, 1882, was 9,627,922, as follows:

Domestic letters	7,200,118
Domestic parcels of third and fourth class matter	799,479
Letters to foreign countries	393,107
Parcels of third and fourth class matter to foreign countries	22,275
Official letters and packages forwarded by the government, and by law exempt from the payment of registry fees	1,212,943
Total	9,267,922

The amount of registry fees collected was \$841,497.90, an increase over the previous year of \$128,615.70, or 18.04 per cent. The increase in the total number of letters and parcels registered was 1,289,004, or 15.46 per cent. Subdividing this total, the increase in the number of letters, domestic and foreign, for the public was 1,121,375, or 17.33 per cent.; of parcels of third and fourth class matter, domestic and foreign, for the public 164,782, or 25.08 per cent.; and of letters and parcels for the government, only 2,847, or about one-fifth of one per cent. The increase of registry business for the public was thus a little over 18 per cent. Statistics more in detail will be found in tables numbered from 16 to 19 accompanying this report.

LOSSES.

During the year 7,082 registered letters and parcels were reported to the chief inspector as having been lost or tampered with. Of these 4,076 were found to have been delivered, or satisfactorily accounted for, and 2,513 are still undergoing investigation, leaving the actual losses as far as ascertained at 493 cases. The losses were due to a variety of causes, such as fire, burglary, highway robbery, theft, &c. If the cases still under investigation should result in the same proportion of loss as those that have been closed, the total losses for the year will number 726, or one out of every 13,262 pieces mailed. This is an unusually small proportion of loss, and it is to be taken in evidence of the increased efficiency of the registry service. Fuller details respecting the subject

of losses will be found in the report of the chief post-office inspector. Great credit is due to the inspectors for the energy, fidelity, judgment, and care with which they have treated the cases reported to them for investigation.

THROUGH-POUCH SYSTEM.

The system of exchanging registered matter in bulk between the larger offices by means of locked pouches was extended to 19 offices and discontinued at 25, leaving it in operation at 119 offices at the close of the year. The new tell-tale or rotary lock, referred to in my report of last year, was put into use early in the present calendar year, and it is proving a valuable instrument to the through-pouch system, effecting a great saving of clerical labor in dispensing with the necessity of examining and recording the contents of through pouches when lying over in transit at intermediate through-pouch offices. The system continues to operate satisfactorily wherever it is employed; indeed, in view of the great volume which the business has now attained it has become almost indispensable to the machinery of the registry system.

BRASS LOCK REGISTRY EXCHANGE SYSTEM.

The brass lock registry exchange system, established some three years since for exchanges on the important lines of star service, is still in successful operation. It was employed at 146 offices at the close of the year. It has proven a most valuable auxiliary to the through-pouch system on the railroads, to which it in general corresponds. Its essential features were explained in my reports of the last two years.

INTERNATIONAL REGISTERED THROUGH-POUCH EXCHANGE.

For a long period the department experienced much embarrassment from the defective system of exchanges of the registered mails with the eastern portion of the Dominion of Canada. Over a portion of the route of transmission, such mails were not in the special custody of a postal employé of either country, as is contemplated by the fundamental idea of our registry system. From Montreal, Canada, to Saint Albans, Vt., the registered pouches, fastened with a lead seal, were sent in a United States Treasury bonded car. From Saint Albans to Saint Armands, Canada, in the other direction, they were placed in the compartment of a car and locked with an iron lock. Great delays were also suffered in making connections, and, with the insecurity attending the system, formed the subject of frequent complaints. An entire registered mail was lost on the Canada side of the border, in the month of October, 1880, and not a trace of it could subsequently be discovered. Correspondence failed to secure better arrangements, and the evil became so urgent as to call imperatively for a remedy. With this end in view a conference was held at Montreal in September, 1881, between representatives of the Canadian Postal Department and Assistant Railway Mail Superintendent Moses, detailed to this office for duty in connection with the registry system, and myself, at which the details of a plan of international registry exchanges were arranged, and subsequently formally ratified by the postmasters general of the two countries, to take effect January 1, 1882. In agreeing to the new international exchange system, the Canadian authorities so far varied from their domestic system as to make it conform in general to the methods employed in the registry service of this country. Among the principal features of the new

plan is the personal custody of pouches by sworn employes of the two countries; a complete chain of receipts and records from employe to employe between terminal points; the use of the tell-tale or rotary lock, and of the manifold through-pouch bill with coupon attachment; and the gathering and distribution of registered mail to and from through-pouch centers, according to our domestic through-pouch system. Each country furnishes its own pouches, locks, and other equipments. The lock used by the Canadian authorities is on the same principle as that adopted in this country and already referred to in another portion of this report. Locks of both countries are embossed with the name of the country of ownership.

In addition to the security, a great saving of time has been effected by the new arrangement. For instance, the former time for registered exchanges from New York to Montreal was 58 hours and 25 minutes, and now it is 24 hours and 50 minutes, a reduction in time of 33 hours and 35 minutes. From Montreal to New York the former time of 36 hours has been reduced to 25 hours and 22 minutes, a saving of 10 hours and 38 minutes.

The eastern portion of the United States has been districted by published schemes defining the respective limits of territory within which registered mails should be sent to and received from Canada through the international registry exchange offices of New York, Boston, Saint Albans, and Buffalo, with exceptions for Ogdensburg, N. Y., and Island Pond, Vt. Similar schemes have also been arranged by the Canadian authorities for collecting and distributing the through registry mails in their country.

On the basis of a count for one quarter, the estimated number of registered pieces exchanged during the year 1881 between Boston and Montreal was 12,000; between New York and Montreal, 16,000; between Island Pond, Vt., and points in Canada, 15,000. A large increase on these figures has already resulted from the better system of exchanges, and from the addition of new territory to each of the through-pouch centers. Correspondence is now in progress looking to the extension of the eastern system of exchanges to the western portion of the country. This accomplished, the system of registry exchanges between the two countries will be complete.

GENERAL.

Attention was directed in my report of last year to the almost complete remodeling of the registry system during the previous four years. A summary was given of the principal changes that had been made, through which the machinery was simplified, the work greatly lessened, and the security enhanced. An extraordinary increase of business was pointed out to show the popular appreciation of the efforts made to improve the service. Special mention was made by the Postmaster-General in his report of the great growth and satisfactory condition of the service, and they were favorably commented upon by the President in his regular annual message to Congress.

The registry system was established by act of Congress of March 3, 1855. After being four years in operation, the receipts from this source dwindled from \$31,466.50 the first year, ended June 30, 1856, to \$25,038.70 for the year ended June 30, 1860. In his report for the last-mentioned year the Postmaster-General, in a most elaborate article, recommended that the system be discontinued, a recommendation that, in view of the present great utility and prosperity of the system, was happily not carried out. For the year ended June 30, 1877, the amount

of registry fees collected was \$367,438.80. The amount collected from this source during the last fiscal year was \$841,497.90, an increase over the amount for the year 1877 of \$174,059.10, or a little more than 129 per cent. The receipts from registration have thus much more than doubled within the past five years, while the general receipts of the postal service have been more than thirteen years in attaining a similar rate of increase. The recent extraordinary growth of the registry service is especially gratifying, both because of the long period that the system has been in operation, and because the work is done at a handsome profit. Not only do the registry fees more than compensate for the labor imposed by registration, but an additional profit is in the postage on valuable letters that would never be entrusted to the mails except for the security afforded by the registry system. For example, a single registered parcel mailed in Philadelphia in September bore, besides a ten-cent stamp for the registry fee, \$127.90 in stamps to prepay postage at letter rates.

Evidence of the great values entrusted to the registered mails will be found in Table No. 17 attached to this report, from which it will appear that during the last year the Treasury alone forwarded \$1,335 registered parcels containing United States bonds, currency, coupons, coin, internal revenue stamps, &c., representing a value of \$514,778,237.57. Of this immense sum not a penny was lost, so far as is now known.

DIVISION OF FILES, RECORDS, AND MAILS.

The number of letters and other inclosures received, opened, and examined during the year was 1,162,500. Among these were 1,062 that contained money, and 4,340 that contained stamps, envelopes, and postal cards returned for redemption. Of the letters received 36,483 were briefed and recorded, and filed after final action had been taken on them. The number of letters written in the office, copied, enveloped, and mailed was 12,403.

Very respectfully, your obedient servant,

A. D. HAZEN,

Third Assistant Postmaster-General.

Hon. T. O. HOWE,

Postmaster-General.

No. 1.—*Explanation of estimates of appropriations for the office of the Third Assistant Postmaster-General for the fiscal year ending June 30, 1884.*

I.—ADHESIVE POSTAGE STAMPS.

For manufacture of ordinary postage stamps, of official stamps, of news-paper and periodical stamps, and of postage-due stamps.....	\$100,000 00
The number of these stamps issued during the fiscal year ended June 30, 1882, was.....	1,140,470,088
Add 12 per cent. for increase.....	137,056,419
Gives estimated issue for fiscal year ending June 30, 1883.....	1,277,526,498
Add 12 per cent. for increase, as before.....	151,903,179
Gives estimated number required for fiscal year ending June 30, 1884.....	1,429,429,677
Cost of manufacturing that number at present contract price, 9.12 cents per thousand.....	\$130,319 86

The increase in the number of adhesive stamps of all kinds issued during the fiscal year ended on the 30th of June last was a little over 17 per cent.; but this rate of increase was an abnormal one, due in part to an unusual prosperity in the business ar-

terests of the country, and in part to a special cause which was explained in the report of last year (pp. 354 and 361 Report of Postmaster General for 1881). Under ordinary conditions it would hardly be reasonable to expect an annual increase of more than 12 per cent., and accordingly the issues of the last year have been augmented at that rate to arrive at the probable number required for the ensuing fiscal year. The present contract does not expire until the 30th of June, 1885, and this estimate has consequently been governed by existing prices. The estimate has, however, been placed in even figures at \$130,000. The appropriation for the current year is \$109,000; but from present indications this amount will hardly be sufficient to meet the demands of the year.

II.—POSTAGE STAMP AGENCY.

For pay of agent and assistants to distribute stamps, and for expenses of the agency..... \$8,100 00

This estimate agrees in amount with the appropriation for the present year.

III.—STAMPED ENVELOPES, NEWSPAPER WRAPPERS, AND LETTER SHEETS.

For manufacture of stamped envelopes, newspaper wrappers, and letter sheets	\$632,000 00
The cost of the stamped envelopes and wrappers issued during the fiscal year ended June 30, 1882, at the prices in the contract which took effect October 1, 1882, would amount to	477,960 08
Add 15 per cent. for increase	71,694 01
Gives estimated cost at same prices for fiscal year ending June 30, 1883..	549,654 09
Add 15 per cent. for increase, as before.....	82,448 11
Gives estimated cost for fiscal year ending June 30, 1884.....	632,102 20
The appropriation for the current year is	547,000 00

* The actual cost of stamped envelopes and wrappers issued during the last fiscal year was \$510,399.45; but a new contract was entered into for four years from the 1st of October, 1882, at an average reduction of nearly seven per cent. in previous prices, and the calculations in this estimate have accordingly been made upon the basis of the new prices. The increase in the number of envelopes and wrappers issued during the last fiscal year over that of the previous year was nearly 13 per cent., but as the reduced prices are likely to largely augment the demand, allowance has been made for an annual increase of 15 per cent. in the issues. By law the cost of procuring stamped envelopes is added to the postage value in fixing the schedule of prices to the public, and the expenditure under this head is consequently refunded to the government when the envelopes are sold. Authority was granted by the sundry civil appropriation act passed at the late session of Congress, to use the appropriation for stamped envelopes for the current year for the purchase of stamped letter sheets (combined letter sheet and envelope) not previously furnished. No arrangements have as yet been made for procuring these articles, but they may be introduced before the close of the year, and in view of that event it is deemed advisable to include them in the estimate for stamped envelopes for the coming year.

IV.—STAMPED ENVELOPE AGENCY.

For pay of agent and assistants to distribute stamped envelopes and newspaper wrappers, and for expenses of agency..... \$16,000 00

This estimate agrees in amount with the appropriation for the present fiscal year.

V.—POSTAL CARDS.

For manufacture of postal cards	\$253,000 00
The total number of postal cards issued during the fiscal year ended June 30, 1882, was	351,498,000
Add 15 per cent. for increase.....	52,724,700
Gives estimated number for year ending June 30, 1883	404,222,700
Add 15 per cent. for increase.....	60,633,405
Gives estimated number for year ending June 30, 1884.....	464,856,105

The cost of manufacturing these articles, at the present contract price of 54.43 cents per thousand, is.....	\$253,021 17
The appropriation for the present fiscal year is	242,000 00

The issue of postal cards has fluctuated widely during the past few years. For 1879 the ratio of increase was 10.55 per cent.; for 1880, 22.80 per cent.; for 1881, 13.20 per cent., and for 1882, 13.99 per cent. It will probably be sufficient to allow for an annual increase of 15 per cent., as has been done in the foregoing estimate. The present contract is for four years ending on the 30th June, 1885.

VI.—POSTAL CARD AGENCY.

For pay of agent and assistants to distribute postal cards, and for expenses of the agency	\$7,300 00
This estimate agrees with the present appropriation.	

VII.—REGISTERED PACKAGE, POST-OFFICE, AND DEAD LETTER ENVELOPES.

For registered package, post-office, and dead letter envelopes	\$140,000
--	-----------

The registered package envelopes are large manila envelopes used for inclosing registered letters and other registered matter, for safer transmission; the post-office envelopes are for the use of postmasters in their official correspondence; and the dead-letter envelopes are used for returning letters from the Dead-Letter Office to the writers. The contract for these envelopes is awarded for one year only, beginning on the 1st of July of each year, and present prices, therefore, afford no absolute criterion in making estimates for future appropriations. The prices for the year ended on the 30th of June last were unusually low, so that the issues for the year cost only \$72,474.53. At the prices in the contract for the present year the same issues would have cost \$98,173.83. The total number of these various kinds of envelopes issued during the fiscal year ended on the 30th of June last was 35,581,550, an increase of 6,783,100, or 23.5 per cent., over the issues of the previous year. At the same rate of increase for the present and next fiscal years the issues for the year ending June 30, 1884, would number 54,260,839, and would cost, on the basis of existing contract prices, \$149,737.17. Allowing for an increase of 20 per cent. in the issues, the cost at present prices would amount to \$141,370.31. The major portion of the appropriation is expended for envelopes for registry business, and for several years past this service has been increasing very nearly at the rate of 20 per cent. per annum. It is proper to say that the contract for these envelopes, like that for stamped envelopes, has been awarded to the lowest bidder, after public advertisement, and upon samples furnished by the department. The estimate is placed in even figures at \$140,000. The appropriation for the current year is \$110,000.

VIII.—SHIP, STEAMBOAT, AND WAY LETTERS.

For ship, steamboat, and way letters.....	\$1,500
---	---------

By law (sections 3913, 3976, 3977, 3978, Revised Statutes) this appropriation is necessary for the payment to masters or owners of vessels not regularly engaged in transporting the mails for letters brought and delivered to post-offices on arrival in port for transmission to destination. The parties receiving the letters are required to pay, in addition to the regular postage, the amounts paid to said masters or owners, which amounts are consequently refunded to the department. The expenditure for the last fiscal year was \$1,444.38, for 1881 it was \$990.95, and for 1880 it was \$1,355.51. The appropriation for the current year is \$1,500, and the estimate for the next fiscal year is placed at the same figures.

IX.—ENGRAVING, PRINTING, AND BINDING DRAFTS AND WARRANTS.

For engraving, printing, and binding drafts and warrants	\$2,000
--	---------

This appropriation is for the purchase of warrants and drafts used for payments to creditors, transfers of funds to and from postmasters, and collections of balances due the department. The warrants and drafts are prepared and furnished by the Bureau of Engraving and Printing of the Treasury Department. The expenditure on this account during the last fiscal year was \$1,644.38, and in view of the manifestly increasing needs the estimate for the ensuing year is placed at \$2,000.

X.—MISCELLANEOUS.

For miscellaneous items	\$1,000
-------------------------------	---------

This estimate is for the same amount as the appropriation for the current fiscal year.

REPORT OF THE SUPERINTENDENT OF THE POSTAL MONEY-ORDER SYSTEM.

POST-OFFICE DEPARTMENT,
OFFICE OF SUPERINTENDENT OF MONEY-ORDER SYSTEM,
Washington, D. C., October 25, 1882.

SIR: I have the honor to submit herewith a report of the operations of the postal money-order system of the United States for the fiscal year ended June 30, 1882. During that year the public employed the money-order system, which affords absolute security for remittances by mail, to a greater extent than in any like period since its inception. This increase, which is more than half again as large as the increase shown by the operations of the year 1880-1881, appears the more worthy of comment in view of the fact that for some months one of the express companies has maintained a money-order system of its own, which is made available to the public, by arrangement, through the offices and agencies of several other companies.

NUMBER OF DOMESTIC MONEY-ORDER OFFICES.

There were established during the fiscal year 340 domestic money-order offices, and 12 offices were discontinued. Since June 30, 1882, 449 additional post-offices have been authorized to commence money-order business, and one office has been discontinued; so that there are in operation at the date of this report 5,939 domestic money-order offices.

ISSUES AND PAYMENTS OF DOMESTIC MONEY ORDERS.

The number of domestic money orders issued during the year was	
8,419,869, of the aggregate value of	\$113,400,118 91
And the number of such orders paid during same	
period was 8,401,668, amounting to	\$112,605,295 84
In addition to which, orders of the value of	783,006 06
Were repaid to the remitters thereof, making the total amount of payments and repayments	113,388,301 90
And the excess of issues over payments only	\$11,816 31
The gross amount of the fees received by postmasters from the public for the issue of domestic money orders was	\$1,053,710 55

This statement exhibits an increase over the transactions of the previous year of \$8,324,348.86, or 7.92 per cent., in the amount of orders issued; an increase of \$8,463,448.29, or 8.07 per cent. in the amount of orders paid and repaid; and a gain of \$86,977.80, or nearly 9 per cent., in the amount of fees received from the public.

The average amount of the orders issued was \$13.47, or 24 cents smaller than during the fiscal year 1880-1881, and the average fee was 12.51 cents, being $\frac{11}{100}$ of a cent less than the average fee of the preceding year.

It is proper to remark upon the very small excess of the orders issued over the orders paid during the year, and to state, in that connection, that the department has recently issued instructions to postmasters concerning a system which it has devised for effecting payment of the amounts of unclaimed money orders. At the close of every month postmasters are now required to notify the payee of every money order, which, as shown by the corresponding advice on file, was unpaid at the end of the previous month, to present his order for payment, or, if it has been lost, to cause his correspondent, the remitter, to apply for a duplicate.

In order to assure proper payment the office of the Paymaster-General of the Army has for a number of years availed itself of the money-order system in paying claims against the United States for the services of colored soldiers of the late war. The amount of orders issued for this purpose during the last year, and transmitted, as a precautionary measure, through the office of the superintendent of the money-order system to the paying postmasters, was \$46,496.72, as against \$14,512.45 for the previous fiscal year.

DUPLICATE MONEY ORDERS.

Annexed to this report will be found a classified statement, Table B, of the duplicate orders issued during the year by the office of the superintendent of the money-order system, the number of such duplicates being 21,934, or 3,543 more than during the preceding year. Duplicate orders are issued without charge to the public, under authority of law, whenever the original order has from any cause been lost or destroyed, or has been invalidated by the operation of law, either by not being presented for payment within one year from the date of issue or by receiving more than one indorsement. They are also granted to remitters when, in pursuance of section 4041, Revised Statutes of the United States, the Postmaster-General has prohibited payment of the original orders drawn in favor of fraudulent lottery companies, or of persons engaged in conducting schemes or devices for obtaining money through the mails by means of false or fraudulent pretenses, representations, or promises.

DRAFTS AND TRANSFERS.

By regulation it is made the special duty of a postmaster to provide as far as possible against delay in the payment of money orders. But the current of business at many offices is such that the amount of money-orders presented for payment is continuously or occasionally in excess of the gross amount of funds received from the issued orders; so that postmasters at such offices are authorized and instructed to transfer, when occasion requires, a sufficient amount to pay orders from the postage to the money-order fund. The total amount of such transfers during the last fiscal year was \$905,707.81, while for the same period the sum of \$287,699.81 was retransferred to the postage from the money order account. The balance in favor of the postage account, \$618,007.80, has been refunded by a deposit in the Treasury for the postal service, made September 26, 1882.

When the postage funds are not available or are insufficient for money-order purposes, if east of the Rocky Mountains, postmasters are given a credit with the postmaster at New York, upon which they may draw; if upon the Pacific slope, funds are supplied by the postmaster at San Francisco, Cal., or by the postmaster at Portland, Oreg. In the last fiscal year the total amount of drafts drawn against credits at New York was \$10,823,200.96, while the San Francisco office furnished the sum of \$241,956 to neighboring post-offices, and the Portland office the sum of \$14,129.

REMITTANCES OF SURPLUS MONEY-ORDER FUNDS.

The total amount of the remittances of surplus funds—that is, funds which were not at once needed at the remitting offices for the payment of orders—was, for the fiscal year, \$105,684,110.64.

LOST REMITTANCES.

From Table C, annexed to this report, it appears that 119 cases of alleged loss of remittances of surplus money-order funds were the sub-

ject of investigation during the year. Fifty-two of these cases, aggregating \$6,649, occurred in the previous year, in which number are included the 43 cases, amounting to \$5,949, which remained unsettled at the end of that year, and the remaining 9 cases, involving \$701, were not brought to the notice of the department until after June 30, 1881. Nine cases, in value \$1,105, allowed during the year to the credit of the postmasters by whom the remittances were made, form the item of expense, "lost remittances," in the table hereinafter given showing the revenues and expenses of the domestic money-order system. The sum of \$2,829, the gross amount involved in 19.65 cases, was recovered by post-office inspectors during the year; the department declined to allow credit in 5 cases, aggregating \$134; and in 6 cases it was subsequently ascertained that no loss had been incurred. There remained 79.35 cases, amounting to \$9,646.45, unsettled at the close of the year.

ERRONEOUS PAYMENTS OF MONEY ORDERS.

The claims presented during the year for reimbursement because of the alleged erroneous payment of money orders numbered 48, their ratio to the total number of orders paid being as 1 to 175034.

The whole number of cases under investigation during the year was 95, aggregating \$2,579.27, in which are included 35 cases, amounting to \$962.19, which were unsettled at the close of the last year, while 12 other payments occurred during that year, but were not brought to the attention of the Post-Office Department until after June 30, 1881; \$573.74, the total amount of 27 cases, were recovered by inspectors of the department and paid over to the true payees of the respective orders. In 12 cases, the orders amounting together to \$316.70, the postmasters who made payment were adjudged at fault and held responsible for their lack of precaution; the owners of the orders, who were alone to blame in 2 cases, of the value of \$35, were required to stand the loss; in 2 cases the loss of \$60 was assumed by the Post-Office Department, the postmaster at the office of payment having been found blameless; and in 8 cases the sums involved were found to have been correctly paid in the first instance; 44 claims, of the total amount of \$1,315.48, were unsettled on June 30, 1882.

REVENUES AND EXPENSES.

The following is the Auditor's report of the receipts and expenses of the domestic money-order system for the last fiscal year:

Receipts:		
Fees on orders issued	\$1,053,710 55	
Premiums, &c.....	828 07	
		\$1,054,538 62
Expenditures:		
Commissions and clerk hire	\$652,399 06	
Lost remittances	1,105 00	
Bad debts	33,083 52	
Incidental expenses.....	87,609 87	
		774,197 45
Excess of receipts over expenditures, being gross revenue	\$280,341 17	

In the item "commissions and clerk hire" is included the sum of \$175,548.84, being the amount allowed for clerical labor in the money-order service at certain of the larger post-offices out of the excess of commissions accruing from the issue and payment of money orders, which the postmasters are debarred by law from receiving. The limit fixed by law for the total compensation of a postmaster from all sources being \$4,000 (except in the case of the postmaster at New York), the

commissions over \$4,000 are, by authority of the Postmaster-General, given to such offices as earn an excess, in the form of an allowance for clerk hire on money-order account.

Among the "incidental expenses" may be mentioned the sum of \$53,344.49 paid directly from money-order funds to the Public Printer for books, blanks, printing, and stationery furnished by him to the money-order office for use by postmasters and the department in the transaction of money-order business, of which amount \$7,298.12 was paid for work and material ordered during the fiscal year 1880-'81.

"BAD DEBTS."

Only a very small portion of the amount embraced under the head of "bad debts" in the foregoing statement represents losses occasioned by the failure of late postmasters to pay balances due by them to the United States. The larger part, \$33,060.10, was the loss incurred by reason of the failure of the banking house of Henry Clews & Co., of New York, and the consequent non-payment and protest of certain bills of exchange purchased by the department from that firm in August and September, 1873, for the purpose of paying balances due by the United States to foreign countries on money-order account. The total amount of the claim of the department against this firm was \$45,680.80, on account of which \$3,620.70 was collected in 1878 and 1879, after strenuous efforts of counsel, from the assets of the bankrupt firm in England; and after protracted efforts to secure, by suit at law, the remainder of the sum due, the department having become satisfied that little could be accomplished in that way because of the inadequacy of the assets, the claim was finally compromised by authority of the Postmaster-General and the Auditor, under section 409 of the Revised Statutes of the United States, by the payment, July 7, 1881, to the Post-Office Department, on the part of Henry Clews & Co., of the sum of \$12,000 cash, in full settlement thereof. The gross loss on account of the insolvency of this banking house was therefore, as above stated, \$33,060.10.

Notwithstanding the above-mentioned loss, which is properly chargeable to the year in which the transactions occurred, the gross revenue from the domestic money-order business exceeded the revenue from the business of the previous year by \$28,026.53, or over 11 per cent.

Attached to this report is a tabular statement, A, of the operations of the domestic money-order system for each year since its establishment.

INTERNATIONAL MONEY-ORDER BUSINESS—ADDITIONAL CONVENTIONS.

Since the close of the fiscal year ended June 30, 1881, conventions for the exchange of money-orders have been concluded between the United States, on the one hand, and Jamaica, New South Wales, Victoria, and New Zealand, respectively, on the other, so that money-order business is now transacted with ten different foreign countries, to wit, the four just mentioned and Canada, Great Britain and Ireland, Germany, Switzerland, Italy, and France. On January 1, 1882, a new convention with Switzerland went into effect which simplified the exchange with that country and admitted of a reduction of the fees charged for the issue of Swiss orders in the United States.

There were in operation on June 30, 1882, 1,125 international money-order offices authorized to transact money-order business with each of the foreign countries with which the United States maintains an exchange of money-orders. Uniformity of system having, in great measure, been secured, the same set of forms is employed by postmasters for orders of all these nationalities.

Negotiations are now being conducted looking to an interchange of money-orders between the United States and Tasmania, Japan, Sweden, Norway, and Belgium, while money-order business with Portugal, under a convention duly signed and approved July 15, 1882, will be commenced on January 1, 1883. Annexed to this report will be found a copy of the new money-order convention with Switzerland and copies of the conventions with Jamaica, New South Wales, Victoria, New Zealand, and Portugal, respectively.

STATISTICS OF THE INTERNATIONAL MONEY-ORDER BUSINESS.

The subjoined statement exhibits in tabulated form the number and amount of orders of each of the several international varieties issued, the number and amount of orders paid, the amount of fees received, and the gain in amount, with the percentage of gain, in issues, payments, and fees. The enormous increase therein shown in the volume of the international money-order business is the best evidence of the public's appreciation of the facilities which the several international systems afford.

	Number of orders issued.	Amount of orders issued.	Amount of orders repaid.	Number of orders paid.	Amount of orders paid.
Swiss	10,080	\$205,820 06	\$859 25	4,020	\$113,292 05
British	182,293	2,740,362 09	5,479 96	24,940	407,766 93
German	116,370	2,057,705 42	10,421 15	34,974	1,047,940 77
Canadian	48,229	1,018,641 62	4,296 73	49,537	785,326 01
Italian	14,233	408,221 60	715 98	738	19,616 87
French	6,015	99,738 10	745 10	2,728	57,352 79
Jamaica	45	917 23	.....	297	8,284 13
New South Wales	69	2,345 75	.....	93	2,077 05
Victoria	47	1,200 83	.....	129	2,603 72
New Zealand	62	1,561 78	.....	427	9,202 47
Totals	377,443	6,536,514 48	22,518 17	117,883	2,453,462 79

	Amount of fees received.	Amount of gain in orders issued over 1880-'81.	Percentage of gain in issues over 1880-'81.	Amount of gain in orders paid over 1880-'81.	Percentage of gain in payments over 1880-'81.	Amount of gain in fees received over 1880-'81.	Percentage of gain in fees over 1880-'81.
Swiss	\$4,591 50	\$60,070 12	41.21	\$3,020 74	3.58	\$464 60	11.79
British	78,526 30	738,372 44	36.88	47,030 22	13.04	20,301 20	34.86
German	36,785 70	661,979 59	47.43	222,919 70	27.02	11,881 10	47.70
Canadian	17,244 55	190,884 70	23.06	174,162 32	28.50	3,185 90	22.66
Italian	6,579 60	168,547 65	70.32	6,068 72	44.79	1,081 70	24.05
French	1,815 45	26,708 01	36.57	18,972 57	49.43	482 15	36.16
Jamaica	16 65	.....	.....	.....	.....	.....	.....
New South Wales	36 75	.....	.....	.....	.....	.....	.....
Victoria	19 95	.....	.....	.....	.....	.....	.....
New Zealand	27 80	.....	.....	.....	.....	.....	.....
Totals	145,644 25	.....	.....	.....	.....	.....	.....

Exchange did not go into operation until January 1, 1882.

REVENUE FROM INTERNATIONAL MONEY-ORDER BUSINESS.

The Auditor is not able to furnish at this date a statement of the revenues which accrued from international money-order business during the last fiscal year, because much time must yet be occupied in adjusting the accounts for the last quarter of that year. In his report will be found, however, detailed statements of the revenues from international money-order exchanges for the fiscal year 1880-'81, being from the Swiss business, \$2,442.33; from the British, \$41,666.79; from the German, \$18,908.10; from the Canadian, \$7,776.34; from the Italian, \$8,469.25; and from the French, \$1,163.40; a total of \$80,426.18.

GENERAL FINANCIAL RESULTS.

The total issues of domestic and international money-orders were, in number, 8,797,312, of the value of \$119,936,632.69, and the payments were, in number, 8,519,551, amounting, with the repayments, to \$115,864,282.86. The fees received from the public aggregated \$1,199,354.80.

In compliance with the terms of section 4050 Revised Statutes, the sum of \$360,767.35, the gross revenue, as reported by the Auditor, from both domestic and international money-order business, was deposited in the Treasury for the service of the Post-Office Department on October 16, 1882. But to arrive at the net profit of the money-order business (the domestic for 1881-'82 and the international for 1880-'81) there should be deducted from this sum the amount of such expenses for the money-order service as were paid out of appropriations made by Congress, to wit:

Salaries to 38 employes in the superintendent's office	\$51,200 00
Salaries to 115 employes in the money-order division of the Auditor's office	138,867 86
Stationery furnished for use in the superintendent's office	453 57
Books, blanks, printing, and stationery furnished for use in the money-order division of the Auditor's office	5,215 67
Total	195,737 10

leaving the sum of \$165,030.25 in excess of all ascertainable expenditures for that service from any fund.

I have the honor, in conclusion, to renew the recommendations made in my letter of November 7, 1881, to the Postmaster-General with reference to certain

MODIFICATIONS OF THE POSTAL MONEY ORDER SYSTEM.

to wit, a change in the scale of fees charged for the issue of domestic money-orders, including a reduction of the fee for orders under \$10 from 10 cents to 8 cents, and the increase of the maximum limit of a single order from \$50 to \$100, with an increase of 5 cents in the fee for each \$10 over \$50 up to \$80, from which amount to \$100 a fee of 45 cents is proposed, and to the issue concurrently with money orders, under authority of law to be enacted by Congress, of money orders of a new form, to be called postal notes, for a fee of 3 cents, to be payable at a designated money-order office to the bearer, and to be drawn only for sums less than \$5.

The increase, with correspondingly augmented fees, of the limit of an order from \$50 to \$100, by which a single order will be made to

take the place now occupied by two, with a reduction by that means of one-half the labor of issue for all sums from \$50 to \$100, is designed to offset any loss which would result to the system from the reduction of the fees for orders of small amounts. As stated in the letter of November 7, above referred to, which is published upon pages 403-410 of the last Annual Report, the average cost of each money-order issued during the five years ended June 30, 1880, was 12.6 cents, and the average revenue from each order 12.7 cents, leaving a margin of one mill as a profit upon each order. But inasmuch as nearly one-half of all the orders issued are for sums under \$5, any reduction of the fee on such orders without a corresponding reduction of labor and increase of fees for the large amounts would necessarily result in a loss.

THE "POSTAL NOTE,"

a model of which was printed upon page 405 of the Annual Report of last year, is intended to take the place of fractional currency in so far as that currency was used by the public for remittances of small sums by mail. The process of issue would be such that the amount, the figures representing which are to be punched from three rows of figures for dollars, dimes, and cents, respectively, cannot be altered, and it is proposed to have the notes, which are to be of a convenient size for inclosure in the ordinary letter-size envelopes, engraved upon thin bank-note paper, and provided with effective checks against counterfeiting.

This scheme, I may add, met with the full approbation of the Committee on the Post-Office and Post-Roads, and was unanimously recommended by them at the last session of Congress. A bill (H. R. 5661) embodying its several provisions passed the House of Representatives at that session, but failed to pass the Senate, which it reached near the time for adjournment, the attention of that body having been occupied with other pressing business in the last days of the session. I deem it of great importance that legislation authorizing the issue of the postal note to supply an urgent public want and the suggested changes in the scale of fees for domestic money orders be again requested at an early day.

I am, sir, very respectfully, your obedient servant,

C. F. MACDONALD,

Superintendent of Money-Order System.

Hon. T. O. HOWE,
Postmaster-General.

REPORT OF THE SUPERINTENDENT OF FOREIGN MAILS.

POST-OFFICE DEPARTMENT.

OFFICE OF FOREIGN MAILS.

Washington, D. C., October 25, 1882.

SIR: I have the honor to submit herewith a report of the principal operations of the foreign mail service for the fiscal year ended June 30, 1882.

WEIGHT OF MAILS.

The total weight of mails dispatched during the year to countries and colonies of the Universal Postal Union (the Dominion of Canada excepted) was 999,554,729 grams, or 2,203,876 pounds; an increased weight over the preceding fiscal year of 452,353 pounds. The weight of the letter mails was 187,928,578 grams, or 414,355 pounds, and of printed matter and samples of merchandise 811,626,151 grams, or 1,789,521 pounds; an increased weight as compared with the preceding fiscal year of 73,367 pounds of letters and 378,986 pounds of printed matter and samples.

Of the letter mails dispatched, 176,614 pounds (42.63 per cent.) were sent to Great Britain and Ireland; 101,591 pounds (24.52 per cent.) to Germany; 99,894 pounds (24.11 per cent.) to other countries of Europe, and 36,226 pounds (8.74 per cent.) to Postal Union countries and colonies other than European.

Of the printed matter and samples dispatched, 806,914 pounds (44.76 per cent.) were sent to Great Britain and Ireland; 332,358 pounds (18.57 per cent.) to Germany; 345,291 pounds (19.30 per cent.) to other countries of Europe, and 310,958 pounds (17.37 per cent.) to other Postal Union countries and colonies.

Compared with the weights of mails dispatched during the preceding year, the increase of letter mails was 21.52 per cent., and of printed matter and sample mails 26.87 per cent.

A comparison of the weights of the mails dispatched to foreign countries during the fiscal year 1882 with those of the fiscal year 1880 shows the increase of correspondence to have been as follows:

	Pounds.
Weight of letter mails:	
In 1882	414,355
In 1880	372,181
An increase in two years of	142,174
or 52½ per cent.	
Weight of printed matter and sample mails:	
In 1882	1,789,521
In 1880	1,411,429
An increase in two years of	698,101
or 51½ per cent.	

A statement of the weights of the mails dispatched to each Postal Union country and colony is reported by the Auditor of the Treasury for the Post-Office Department.

THE NUMBER OF LETTERS EXCHANGED.

with countries and colonies not embraced in the Universal Postal Union, exclusive of Canada, was 168,822, of which number 26,169 were sent to,

and 73,663 received from such countries; a decrease, compared with the previous fiscal year, of 338,996 letters sent, and 147,388 letters received from non-Union countries.

COST OF THE FOREIGN MAIL SERVICE.

The sums reported for payment on account of sea-transportation of the mails dispatched to and received from foreign countries during the fiscal year 1882, including 13,677 francs and 34 centimes (\$2,649.73), credited to France in the quarterly accounts with the French postal administration for the conveyance of United States mails by French contract packets from New York to Havre, amounted to \$280,163.98; an increase over the cost of the same services for 1881 of \$41,014.77. Of this amount \$233,485.34 was reported for the trans-Atlantic service; \$16,537.38 for the trans-Pacific service, and \$30,141.26 for services to and from the Isthmus of Panama, Central America, and the South Pacific; to Mexico, Cuba, and Porto Rico; to and from other West India Islands; to Brazil, the Argentine Republic, Paraguay and Uruguay; to Venezuela and Curaçoa, and to Canada and Newfoundland. Particulars of these several services are appended in statement marked A.

A comparison of the cost of foreign mail transportation for the fiscal year 1882 with the cost of the same service in 1880 shows the increase to have been as follows:

Cost of the service in 1882.....	\$280,163 98
Cost of the service in 1880.....	198,667 46
An increase in two years of.....	81,496 52
or over 41 per cent.	

The expenses (chargeable to the foreign mail service) of maintaining the United States postal agencies at Shanghai (China), and at Aspinwall and Panama (United States of Colombia), for office rent, clerk hire, portorage of mails, and other miscellaneous items, amounted to \$2,695.55. These expenses have been materially reduced by a curtailment of the business of the agencies at Aspinwall and Panama, consequent upon the entrance into the Union, from July 1, 1881, of the United States of Colombia, the postal business of said agencies being now restricted to the receipt, custody, transfer, distribution (when necessary), and forwarding of mails in transit from and to the United States via the Isthmus of Panama.

The payments made by this department in previous years, on account of the Atlantic sea conveyance of the Australian closed mails from New York to Great Britain, were discontinued from July 1, 1881, the British post-office having agreed to pay directly to the conveying steamship lines the sums becoming due for the conveyance of such mails. Under this arrangement the appropriation made by Congress for ocean transportation of mails during the year 1882 was relieved from the payment of 70,360 francs 31 centimes=\$13,579.44.

The aggregate amount of the quarterly balances paid to this department on settlement of postage accounts with other Postal Union administrations was \$104,201.20, and the aggregate amount of the quarterly balances paid by this department to other Postal Union administrations was \$43,605.22.*

The sums credited to this department by Postal Union administrations on account of the United States territorial and sea-transit of for-

oreign mails, amounted to 657,728 francs 12 centimes= \$126,941.53, and the sums credited by this department to Union administrations on account of the foreign territorial and sea transit of United States mails, amounted to 423,392 francs 52 centimes= \$81,714.76.

The amounts estimated as necessary for appropriation for foreign mail service for the fiscal year 1883-1884, are as follows:

For transportation of mails.....	\$350,000
For balances due foreign countries, including the United States' portion of the expenses of the International Bureau of the Postal Union, and the subscription of the department for 25 copies of the monthly journal of the Union—"L'Union Postale".....	60,000
Total.....	\$410,000

ADMISSIONS TO THE UNIVERSAL POSTAL UNION.

The additions to the Universal Postal Union during the year have been as follows:

The Republic of Nicaragua, admitted from May 1, 1882.

The Republic of Costa Rica, admitted from January 1, 1883.

The Postal Union now embraces all countries and colonies of the civilized world known to have organized postal establishments, except Bolivia in South America, and the British Australasian colonies. For full list of Postal Union countries and colonies, with dates of admission, see statement marked B, appended.

MODIFICATIONS OF POSTAL UNION ARRANGEMENTS AND DETAILS.

The following changes in the Regulations of Detail and Order under the Convention of Paris, have been adopted by votes of the Postal Union administrations, viz:

Paragraph 10 of Article XXXII has been amended so as to read: The post-offices which the Japanese administration has established at Shanghai (China), at Fusanpo and Genzanshin (Corea).

Paragraph 4 of Article VI has been modified as follows, to take effect January 1, 1883:

Registered articles must bear a label or impression of a stamp showing, in a distinct manner, the capital letter R in Roman text, it being left optional with each office to add to the letter R the special mark (indication of office of origin or country of origin, number of order, &c.) which it shall deem proper.

Consequent upon the adoption of this modification, and because of the uniform character of the stamp or label indicating registration thereby provided for use by all the postal administrations of the Union, Article XXIX of the Regulations has been also modified, to take effect on the same date, by suppressing the second subparagraph of paragraph 2, and numbering the third, fourth, and fifth subparagraphs thereof 2, 3, and 4, respectively.

Article XIV of the Regulations has been modified to read as follows:

1. Articles of correspondence addressed under initials are not admitted to registration.
2. No special condition of form or of fastening is required for registered articles. Each office has the right to apply to this correspondence the regulations established in its interior service.

Special arrangements have been concluded with Belgium and Switzerland, respectively, extending the limits of weight and dimensions, prescribed by Article V of the Convention of Paris for packets of samples of merchandise so as to admit such packets to circulation in the mails

exchanged with each of those countries, respectively, when not exceeding the weight of 350 grams (12 ounces) and the dimensions of 30 centimeters (12 inches) in length, 20 centimeters (8 inches) in width, and 10 centimeters (4 inches) in depth. Copies of these special arrangements are appended.

With respect to the arrangement with Belgium it has been mutually agreed that it shall be so interpreted as to authorize its termination at any time on a notice by either government of one year.

Negotiations are pending between this department and the postal administration of Japan for an arrangement granting the reciprocal conveyance between the two countries, free of postage, of official correspondence in closed mails between each government and its legations and consulates near the other.

Detailed information on the following subjects relating to Postal Union exchanges will be found in statements hereto appended, marked C, D, E, and F, respectively:

1. Table of equivalents according to which postage rates are levied in those countries of the Universal Postal Union which have not the franc for a monetary unit, and the fees charged for registration and for return receipts.

2. A recapitulation of the regulations which determine, in the different countries of the Union, the length of time for retaining in the offices of destination unclaimed correspondence addressed "*poste restante*."

3. A recapitulation of the regulations within the Union respecting applications for the return of letters to the senders before their delivery to the addressees.

4. A statement of the surtaxes charged in certain Postal Union countries on correspondence addressed to the United States.

MODIFICATIONS OF POSTAL REGULATIONS AND DETAILS RESPECTING MAIL EXCHANGES WITH THE DOMINION OF CANADA, AND WITH COUNTRIES AND COLONIES NOT EMBRACED IN THE UNIVERSAL POSTAL UNION.

The second article of the postal arrangement between the United States and Canada of ^{April 28,}_{May 3,} 1881, has been replaced by a modified article designed to more effectually prevent the mailing in Canada of United States publications to addressees in this country with the object of evading the postage rates or regulations applicable to such matter in the United States. A copy of this article is appended.

The reduced sea-transit rates of 9 cents per ounce for letter mails and 4 cents per pound for printed-matter mails, accepted by this department from January 1, 1881, for the closed mails from the colonies of New South Wales, New Zealand, Victoria, and Queensland, respectively, for Mexico, the Central American States, and Panama, when transported entirely by sea from San Francisco, have been applied also to the closed mails for said colonies forwarded in the opposite direction from the British packet agency at Panama to San Francisco.

For the purpose of securing proper examination and treatment by United States customs officers, before transmission to the addressees, of books received by mail from Canada, an arrangement has been made with the Canada office to forward all book packets of Canadian origin separately from other mail matter, in sacks addressed to certain designated United States exchange post-offices on or near the frontier line of Canada.

FOREIGN MAIL STATISTICS.

Estimate of the amount of mail matter exchanged during the fiscal year ended June 30, 1882, based upon the count of such matter exchanged during seven days in October, 1881, and seven days in April, 1882, as made at United States exchanging post-offices in pursuance of the Postmaster-General's order of September 10, 1879.

	Sent.	Received	Total.	Excess of sent over received.	Excess of received over sent.	Percentage of sent.	Percentage of received.
Number of prepaid letters.....	25,408,464	23,325,336	48,993,832	1,942,996		51.96	48.02
Number of unpaid and insufficiently paid letters.....	638,497	1,235,900	1,874,400		597,412	34.06	65.94
Number of free of postage letters..	119,868	61,694	181,562		58,214	66.03	33.97
Total number of letters.....	26,226,829	24,622,971	51,049,800	1,468,858		51.38	48.62
Total number of single rates.....	29,675,700	27,277,800	56,953,500	2,397,900		52.11	47.89
Number of postal cards.....	1,428,268	918,179	2,346,447	510,089		60.87	39.13
Number of packets of newspapers, other printed matter, and business papers.....	22,910,589	19,596,814	42,516,403	3,322,775		53.91	46.09
Number of packets of samples of merchandise.....	843,600	238,880	1,082,560	604,800		77.93	22.07
Number of registered articles.....	457,000	468,354	925,354		11,354	49.39	50.61
Number of demands for return receipts.....	9,700	17,054	26,842		7,265	36.47	63.53
Prepaid postages on letters.....	\$1,385,618 13						
Prepaid postages on printed matter, &c.....	\$424,732 38						
Unpaid postages on letters, printed matter, &c.....	\$23,292 25	\$117,699 54	\$140,991 79		\$94,407 29	16.52	83.48

From the above table it appears—

1. That 97.11 per cent. of the letters sent to foreign countries were fully prepaid; that 2.43 per cent. were either unpaid or insufficiently prepaid, and that 0.43 per cent. were free of postage.

2. That 94½ per cent. of the letters received in the United States from foreign countries were fully prepaid; that 5 per cent. were either unpaid or insufficiently prepaid, and that one-fourth of one per cent. were free of postage.

3. That of the total number of postal articles sent, 51 per cent. were letters; 2.78 per cent. were postal cards; 44.57 per cent. were newspapers, other printed matter, and business papers, and 1.65 per cent. were samples of merchandise.

4. That of the total number of postal articles received, 54.46 per cent. were letters; 2.01 per cent. were postal cards; 43 per cent. were newspapers, other prints, and business papers, and 0.53 per cent. were samples of merchandise.

5. The estimated amount of postages collected in the United States on the unpaid mail-matter received from other countries exceeded the estimated amount of unpaid postages on the mail-matter sent to other countries in the sum of \$94,407.29.

6. The estimated total postages collected in the United States (not including registration fees on registered articles) on the mails exchanged with foreign countries, amounted to \$1,956,614.18.

The general statistics of the postal services in the countries of the Universal Postal Union for the year 1880 (the latest collated and published by the International Bureau), furnish interesting information respecting the interior postal services of each country, as well as of the international postal relations between the countries of the Union.

It appears by these statistics that the relative rank of the principal Union countries, in respect to the following particulars, was as follows:

1st. *In number of post-offices* the United States ranks first, with 42,989 offices; then Great Britain, with 14,549; Germany, with 9,460; France, 5,942; Japan, 4,665; Russia, 4,458; British India, 4,409; Austria, 4,025; Italy, 3,328; Switzerland, 2,852; Spain, 2,642; Hungary, 2,301; Sweden, 1,785; the Netherlands, 1,316; Norway, 924; Mexico, 897; Belgium, 792; Portugal, 755; Denmark, 560.

2d. *In respect of the relative proportion between the number of post-offices and that of population*, the principal countries of the Union rank as follows: Switzerland has an average of 993 inhabitants to each post-office; the United States, 1,167 to each office; Norway, 2,078; Great Britain, 2,372; Sweden, 2,565; the Netherlands, 3,085; Luxemburg, 3,175; Denmark, 3,537; Germany, 4,778; Austria, 5,498; France, 6,211; Portugal, 6,285; Spain, 6,333; the Argentine Republic, 6,400; Belgium, 6,991; Hungary, 7,258; Japan, 7,701; Italy, 8,545.

3d. *In number of letter-boxes for reception of correspondence*, the principal countries rank as follows: France, 57,960 letter-boxes; Germany, 57,782; Great Britain, 27,782; the United States, 18,460; Italy, 11,550; Spain, 9,406; Austria, 8,013; Russia, 7,957; Japan, 6,935; British India, 6,392; Belgium, 5,456; Switzerland, 5,270; Denmark, 3,382; Hungary, 3,263; the Netherlands, 3,047; Sweden, 2,700; Portugal, 1,303.

4th. *In number of letters conveyed in the mails*, the principal countries rank as follows: Great Britain, 1,176,423,600 letters; the United States, 847,830,029; Germany, 522,689,800; France, 488,462,763; Austria, 174,999,000; Italy, 151,471,018; British India, 118,072,439; Russia, 92,451,476; Spain, 66,525,891; Hungary, 64,647,572; Belgium, 61,209,200; the Netherlands, 48,070,539; Switzerland, 45,739,594; Japan, 36,898,795; Sweden, 27,130,454; Denmark, 22,011,999; Portugal, 14,124,919.

5th. *In number of postal cards conveyed in the mails*, the principal countries rank as follows: The United States, 275,324,224 postal cards; Germany, 135,135,100; Great Britain, 122,884,000; Austria, 36,026,000; France, 27,540,065; Japan, 19,884,451; Italy, 19,714,710; Belgium, 14,720,342; the Netherlands, 13,775,947; Hungary, 12,965,458; British India, 7,471,984; Switzerland, 6,649,297; Russia, 4,682,544; Sweden, 1,250,081; Roumania, 685,802; Portugal, 252,751; Norway, 209,014; Denmark, 173,128; Spain, 161,986; Luxemburg, 155,883.

6th. *In respect to the number of letters and postal cards per each inhabitant*, the principal countries rank as follows: Great Britain, 37.6 to each inhabitant; the United States, 22.8; Switzerland, 22.4; the Netherlands, 17.1; Belgium, 16.2; Germany, 15.6; France, 14.9; Denmark, 12.6; Luxemburg, 11.7; Austria, 11.1; Sweden, 6.9; Italy, 6.6; Norway, 5.7; Spain, 4.1; Portugal, 3.3; Greece, 1.7; Japan, 1.6; Roumania, 1.2; Russia, 1.1.

7th. *In number of newspapers conveyed in domestic mails*, the principal countries rank as follows: The United States, 730,269,063 newspapers; Germany, 420,944,000; France, 285,691,654; Great Britain, 133,796,100; Russia, 83,233,945; Italy, 81,060,778; Austria, 75,282,900; Belgium, 64,680,000; Switzerland, 49,967,736; the Netherlands, 33,682,452; Hungary, 27,722,577; Denmark, 25,007,457; Sweden, 21,087,036; Japan, 17,596,758; British India, 11,251,021; Norway, 10,402,002; Argentine Republic, 7,500,000; Greece, 1,688,841.

8th. *In number of newspapers dispatched in international mails*, the principal countries rank as follows: The United States, 18,378,837 newspapers; Great Britain, 16,697,753; France, 15,894,252; Germany, 8,760,000; Italy, 5,030,860; Belgium, 4,001,000; Spain, 3,117,521; the Netherlands, 1,251,605; Russia, 1,235,686; Argentine Republic, 795,000; Sweden, 714,717; Greece, 502,047; Norway, 201,428.

9th. In respect to *the length of interior mail-routes of all kinds, on land and water, used for conveyance of the mails*, the United States occupies the first rank, with a total length of 559,221 kilometers (341,591 miles); France next, with 227,591 kilometers (141,418 miles); Russia next, with 171,268 kilometers (106,421 miles); and Germany next, with 101,609 kilometers (63,137 miles).

No reports on this head were furnished for Great Britain.

10th. In respect to *the number of miles of railway transportation of mails*, the United States ranks first, with 154,399,941 kilometers (95,939,491 miles); Germany next, with 102,799,339 kilometers (63,876,418 miles); then France, with 66,150,755 kilometers (41,104,095 miles); Austria, 29,167,664 kilometers (18,123,711 miles); Russia, 23,293,638 kilometers (14,418,045 miles); Hungary, 12,504,957 kilometers (7,770,205 miles); Spain, 5,942,754 kilometers (3,692,649 miles); Sweden, 5,656,897 kilometers (3,516,026 miles); Switzerland, 4,772,740 kilometers (2,965,637 miles).

No statements on this head were furnished for Great Britain.

11th. In respect to *the distance of transportation of mails effected by modes of conveyance other than by railroads*, the United States ranks first, with 121,713,592 kilometers (75,599,174 miles); Germany next, with 62,745,103 kilometers (38,989,925 miles); then France, 48,869,120 kilometers (30,365,805 miles); Russia, 33,415,955 kilometers (20,763,673 miles); Austria, 31,743,825 kilometers (19,724,661 miles).

No statements on this head were furnished for Great Britain.

12th. In respect to *the gross postal revenues*, the principal countries rank as follows: Germany, 190,229,319 francs; the United States, 176,453,627; Great Britain, 168,335,675; France, 112,687,572; Russia, 56,694,540; Austria, 41,519,703; Italy, 28,189,618; British India, 22,324,407; Spain, 18,723,485; Switzerland, 17,589,901; Hungary, 15,890,022; Belgium, 11,599,607; The Netherlands, 8,828,838; Sweden, 7,133,273; Japan, 6,439,847; Denmark, 5,550,803 francs.

13th. The postal service of the following countries in 1880 yielded *net revenues*, in francs, as follows: Great Britain, 64,944,200 francs; France, 32,303,646; Germany, 22,017,689; Spain, 10,751,753; Austria, 4,582,700; Belgium, 3,836,839; Italy, 3,831,683; Hungary, 2,766,615; The Netherlands, 2,180,341; Switzerland, 2,011,864; British India, 994,485; Sweden, 929,811 francs.

The annual deficit in the United States for the same year was 16,536,575 francs, and in Russia 4,520,176 francs.

The order of this department discontinuing the annual count of domestic correspondence has, it is regretted, rendered incomplete the statistics furnished the International Bureau for the fiscal year ended June 30, 1881, and will prevent any comparison for that year between our domestic correspondence and that of other countries of the Universal Postal Union.

SUBJECTS REQUIRING LEGISLATION.

Article 6 of the Universal Postal Union Convention concluded at Paris, June 1, 1878, provides for the payment, in case of the loss of a registered article, and except in case of *force majeure*, of an indemnity of 50 francs to the sender, or, at his request, to the addressee, by the administration upon whose territory or in whose maritime service the loss has occurred; but permits, as a temporary measure, the administrations of the countries beyond Europe whose legislation was at that time opposed to the principle of responsibility to postpone its application until they shall have obtained from the legislative power authority

to subscribe to it. To enable this department to carry into effect this provision of the Paris Convention, your predecessors have recommended in each annual report since the conclusion of the Paris Convention, that the necessary authority therefor be given by law. Bills have been introduced in Congress for that object which have passed the Senate, but have not been acted upon by the House of Representatives. I respectfully suggest that the attention of Congress be again called by this department to the importance of enacting the necessary legislation on this subject.

The countries and colonies of the Universal Postal Union outside of Europe which, up to the latest advices, have agreed to the principle of responsibility in case of loss on their territory, or in their maritime service, of a registered article, are as follows:

Egypt,	Bermudas,	Saint Christopher,
British India,	Ceylon,	Saint Lucia,
Persia,	Gold Coast,	Seychelles,
The Danish Colonies,	Dominica,	Sierra Leone,
The Spanish Colonies,	Gambia,	Straits Settlements,
The French Colonies,	Grenada,	Newfoundland,
The Netherlands Colonies,	British Guiana,	Tobago,
The Portuguese Colonies,	British Honduras,	Trinidad,
The United States of Colombia,	Hong-Kong,	Turk's Islands,
The Republic of Hayti,	Jamaica,	Virgin Isles,
Antigua,	Labuan,	Saint Vincent,
Bahamas,	Lagos,	Cyprus,
	Mauritius,	Barbadoes,
	Montserrat,	Chili,
	Nevis,	Hawaii.

This department, as also the postal administrations of Peru, the United States of Venezuela, and the Republic of Liberia, have advised the International Bureau of the Postal Union that they have submitted to their national legislatures projects of laws authorizing them to subscribe to the principle of responsibility in the matter of registered articles exchanged with other postal-union countries.

I also respectfully suggest that the recommendations of your predecessors for such a modification of the provisions of section 17 of the act of March 3, 1879, as will authorize the adoption, by the Secretary of the Treasury and the Postmaster-General, of regulations extending to all dutiable articles of mail-matter received by mail from foreign countries the same facilities of transmission by mail to destination and delivery to the addressees, subject to payment of customs duty, as are now extended to dutiable books received from countries of the Universal Postal Union.

SPECIAL POSTAL-UNION INTERNATIONAL EXCHANGES.

A project of an arrangement relative to an international exchange of small parcels not exceeding 3 kilograms in weight, which was submitted by the delegates of Germany to the Paris Convention of 1878, resulted in the assemblage at Paris, in October, 1880, of a Postal Conference, which, on the 3d day of November following, concluded a convention to go into operation October 1, 1881, for an exchange of such parcels between Germany, Austro-Hungary, Belgium, Bulgaria, Denmark, Egypt, Spain, France, Great Britain and Ireland, British India, Italy, Luxemburg, Montenegro, The Netherlands, Persia, Portugal, Roumania, Servia, Sweden, Norway, Switzerland, and Turkey.

The postal-union countries which have taken advantage, to date, of the permission given in Article 14 of the Paris Convention to make mutual arrangements for the exchange of postal cards with paid reply are as follows: Argentine Republic, Austro-Hungary, Belgium, Brazil, Colombia [United States of], Cuba, France, Germany, Greece, Honduras [Republic of], Italy, Luxemburg, Netherlands, Netherlands Colonies in the East Indies, Norway, Paraguay, Persia, Porto Rico, Portugal, Portuguese Colonies, Roumania, San Salvador, Servia, Spain, Spanish Colonies, Sweden, Switzerland, Turkey, and Uruguay.

MISCELLANEOUS.

Postal intercourse between the United States and foreign countries has been maintained during the year with accustomed regularity, and without interruption, save in the following instances:

The prevalence of yellow fever during summer months, and the quarantine regulations resulting therefrom at New Orleans, La.; Galveston, Tex.; Key West, Fla., and several towns on the Rio Grande, compelled the temporary use of less direct routes for the transmission of exchanges between the United States and Mexico and Havana, Cuba, respectively, involving delay to the mails to some extent.

The occupation by Chilian forces of Peruvian territory, resulting in the suppression of the postal establishments of Peru, and the establishment in their stead of Chilian post-offices, under the charge and direction of the military forces of Chili, whilst giving rise to anomalous complications, has, at the same time, occasioned delays to the mails from the United States for Peru, and complaints of alleged loss of correspondence.

In connection with the above, it should be stated that direct postal intercourse with Brazil, and other countries on the east coast of South America, and with a considerable portion of the West India Islands, is entirely dependent upon the maritime commercial carrying trade with those countries and islands, the varying necessities of which render the mail service irregular and uncertain, and not infrequently prevent sufficient notice to the public of the dispatches occurring.

Very respectfully,

JOSEPH H. BLACKFAN,
Superintendent.

REPORT OF THE TOPOGRAPHER OF THE POST-OFFICE DEPARTMENT.

POST-OFFICE DEPARTMENT, TOPOGRAPHER'S OFFICE,
Washington, D. C., October 18, 1882.

SIR: I have the honor to submit report on the work of the topographer's office during the past year (ending September 30, 1882), with estimate of appropriation required for the fiscal year ending June 30, 1884, for the general expenses of this office.

Previous to the past year this estimate has been made annually for a specific total amount, to include the salaries of the employes of this office, together with the miscellaneous expenses in "the preparation and publication of post-route maps," but, it having been thought better to depart from this special presentation, and to group these employes along with the regular personal force of the department, that plan was

adopted last year and is now followed, the miscellaneous expenses of the office being provided for by an item of the contingent expenses of the Post-Office Department.

During this past year the regular duty of "keeping up," with all the successive changes, the exhibit of the mail service of the country on the maps and diagrams used by the officers and clerks in the several bureaus, and the furnishing the geographical data for the different branches of the department, has been accomplished to the full capacity of the force allowed and employed.

For the continuous (daily) use of the officers and corresponding clerks of the contract office, 142 maps or diagrams have been "kept up," showing the changes in the service at least once a month. There are also kept up, under the same conditions, two sets (50 maps) for use in the appointment office, and three sets (69 maps) for the offices of the Postmaster-General, general superintendent of railway mail service, and topographer. In addition to this constant and indispensable assistance for these offices, there have been brought up, at longer intervals than a month, 184 maps for use in the under-named offices: Finance, money-order, post-office inspectors, dead-letter, Assistant Attorney-General for Post-Office Department, and for the office of the Sixth Auditor of the Treasury Department (located in Post-Office Department building).

In procuring data for the original construction and additions to the post-route maps, 324 letters of inquiry have been addressed to engineers and other officers of railroads, in most cases with inclosure of a special tracing of the immediate surrounding country, made in this office, to facilitate their returning the exact lines of their roads for transference to our maps. With the same view, 4,240 circular queries have been sent to postmasters to get the locations of their post-offices, where inadequately furnished by the data presented to and reported from the appointment office, or to get more precise definition of sites and adjacent topography.

The miscellaneous correspondence, exclusive of the above circulars, consisted of 2,980 letters written by the topographer on matters appropriate to his work. The number of letters received, exclusive of these returned circular queries, was 3,119.

Eight thousand two hundred and fifty sheets of post-route maps, colored (with few exceptions), to exhibit the post-offices and the frequency of service on the several post-routes, have been distributed during the year. Of these, a large proportion has been, as in former years, sent to the larger post-offices in the several States and Territories, either for the first time or to replace (by new editions) those hitherto supplied but rendered obsolete by the great additions to and changes in the service. The largest distribution has been to the officers, clerks, and other agents of the railway mail service, the maps (with the latest information carefully transcribed) being furnished on requisitions from the general superintendent and division superintendents for their office use, and for distribution to employés in that special service. But it being impracticable, for various reasons, to furnish every one employed in the railway mail service with a copy of these elaborate (and constantly changing) maps, the attempt has been made during the past year to construct a series of smaller single-sheet diagrams to show the railroad system of a State, with the more important side connections ("star route"). Diagrams of seven States have been thus made and a large number of copies placed at the disposal of the general superintendent of railway mail service; and from the satisfaction expressed from their use it may be advisable to extend this construction for other States. For post-office inspectors, whose duties require much traveling, many

copies of the various maps have been specially prepared in portable form, showing, as closely as possible, the existing state of the service.

Thirty-seven per cent. of all the post-route maps distributed in various quarters from this (topographer's) office have been backed with muslin, mounted on rollers, or bound for portable use. A detailed statement of this distribution of maps during the past year is appended (marked A), with a side comparison with the numbers for the two preceding years.

The department has continued to furnish, when available, occasional copies of the post-route maps to the other governmental bureaus; their large scale, clearness of matter without superfluity of detail, rendering them acceptable for reference and for special exhibition and demarcation of district divisions, &c. Maps have been sent during the past year, in compliance with request, to the following:

Treasury Department, Bureau of Statistics;
Treasury Department, United States Coast and Geodetic Survey Office;
War Department, Office of the Secretary;
War Department, Office of the Chief Engineer, United States Army;
War Department, Office of the Paymaster-General, United States Army;
War Department, Signal Office, United States Army;
Department of the Interior, General Land Office;
Department of the Interior, Pension Office;
Department of the Interior, Office of Auditor of Railroad Accounts;
Department of the Interior, Census Office;
Department of the Interior, United States Geological Survey Office;
Department of Agriculture;
National Board of Health.

It may be deemed proper that I should notice herein that the contribution in maps and books from the Post-Office Department of the United States to the exhibit at the International Congress of Geography, meeting at Venice, Italy, in September of last year, has been recognized by the award of a "Letter of Distinction"—the highest class of awards conferred.

The calls for certificates of distances required in the settlement of mileage accounts by officers of the public service and in the adjustment of telegraphic rates for government messages, made a duty of the topographer of this department, have been, as usual, promptly answered. For this 192 letters have been answered, covering 412 queries. That number of queries is but small compared with those of some years back, but their reference to this office is necessitated by the absence of any authoritative table of distances. There are great practical difficulties in the compilation of an extended and correct table, still such a publication is a desideratum, the "Distance Tables" of this department, issued in 1873, having been long obsolete. In view of the great labor that would attend such a compilation, suggestions have at various times been made for a joint effort by the governmental departments most interested in this matter.

During the past year the preparation and publication—with successive editions to keep pace with the incessant progress of the postal service—of the series of post-route maps have been continued under my supervision. New editions have been issued of all the maps hitherto prepared (26 in number, covered by 65 sheets). Successive editions, at short intervals of three or four months, have been and always will be required to show the numerous additions and changes of post-offices, and the course and frequency of service on the several post-routes.

New maps (photolithographed to supersede former provisional copies) have been completed of New Mexico and Arizona, of Utah, of Oregon and Washington, and of the Territories of Montana, Idaho, and Wyoming, and engraved plates have been completed of Virginia and West Virginia. A new map (photolithographed) has been produced of the Mississippi River, showing the river and side-connecting service between Saint Louis and the mouth. There still remain under construction, at such opportunities as the draughtsmen can command, drawings for new maps of Florida, of North Carolina and South Carolina, and of California and Nevada.

It is to be noted that the greater part of the time of the employes of this office is absorbed in making the incessant additions and alterations to the maps *by hand*, particularly for those required for the daily use of the officers and clerks of the department headquarters, who must have the latest information graphically presented, to be used along with their books and papers of record. These requirements necessarily limit the number of copies of the maps available for outside issue.

The *personnel* of this office now consists of—

The topographer.

8 draughtsmen (1 acting as principal assistant, and 1 specially for lithographic work).

2 corresponding clerks.

20 map-colorists and copyists (ladies).

2 map-mounters.

1 messenger.

2 watchmen (day and night, for building occupied for office).

These will be found graded in the general appropriation bill (legislative, executive, and judicial) for the existing fiscal year, but in the estimate for next fiscal year, which I have the honor to present for your consideration, I would respectfully submit that one additional draughtsman (clerk of second class) and one additional messenger (at \$720) be added.

The present force of draughtsmen is not able to keep up with the constant and urgent and ever-increasing calls for the bringing-up of the maps used daily throughout the department headquarters, and I have been obliged to detail Mr. W. B. Todd, hitherto acting so efficiently as corresponding clerk and general aid, for duty as a draughtsman in charge of one of the groups of States. The additional messenger is almost a necessity for the proper transmission throughout the office of the endless number of specific orders coming up at every moment of the day. The above, it is submitted, is but a reasonable increase of the force for these duties.

I take pleasure in testifying to the general faithful and steady work of the employes of this office, particularly mentioning the efficient help I have had from the principal assistant, Mr. Charles E. Gorham, and from the two corresponding clerks, Mr. W. B. Todd and Miss R. Howard, and, latterly, Mrs. I. H. Sykes.

Very respectfully, your obedient servant,

W. L. NICHOLSON,

Topographer Post-Office Department.

Hon. T. O. HOWE,

Postmaster-General.

REPORT OF THE AUDITOR OF THE TREASURY FOR THE
POST-OFFICE DEPARTMENT.OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST-OFFICE DEPARTMENT,
Washington, D. C., October 31, 1882.

SIR: I have the honor to submit herewith the annual report of the receipts and expenditures of the Post-Office Department, as shown by the accounts of this office, for the fiscal year ended June 30, 1882.

REVENUE ACCOUNT OF THE POST-OFFICE DEPARTMENT.

Fiscal year 1882:

The revenue of the department for the fiscal year ended June 30, 1882, was.....	\$41,876,416 15
The expenditure for the service of the year was	40,039,634 75
Excess of receipts	1,836,775 40
Amount of balances due by postmasters charged to "bad debts" and "compromise" accounts	\$143,282 88
Amount of balances due postmasters, to credit of "suspense" account.....	2,817 53
	<u>140,465 37</u>
Balance available for service of 1882	<u>1,696,310 05</u>

Fiscal year 1881:

The balance available for the service of 1881 at the close of the last annual report was	518,870 65
The amount paid during the last fiscal year was	399,314 58
Balance available for the service of 1881	<u>119,556 07</u>

Fiscal year 1880:

The balance available for the service of 1880 at the close of the last annual report was	148,453 93
The amount paid during the last fiscal year was	42,032 76
Balance unexpended for 1880	<u>106,421 17</u>

Fiscal year 1879 and previous years:

The amount placed with the Treasurer, under the act approved August 8, 1882 (Public, No. 205, pages 27 and 30), was	6,595 12
The amount paid to September 30, 1882, was	1,039 14
Balance available on this account	<u>5,555 98</u>

SUMMARY OF REVENUES AND EXPENDITURES.

Revenue of 1882	\$41,876,416 15
Grants from the Treasury, 1879 and previous years (dittoes)	6,595 12
Total receipts	<u>41,883,005 27</u>

Expenditures for 1882	\$40,039,634 75
Expenditures for 1881	399,314 58
Expenditures for 1880	42,032 76
Expenditures for 1879 and previous years	<u>1,039 14</u>

Total expenditures..... \$40,482,021 23

1,400,984 04

Net amount charged to "bad debts" and "compromise" accounts during the year, less credits by "suspense" 140,465 35

Excess of receipts 1,260,518 69

Of the amount charged to "bad debt" and "compromise" accounts, \$133,672.84 is the sum of uncollectable balances of accounts found open from 1789 to 1856, the ledgers having been reviewed for that period.

The balance standing to the credit of the general revenue account at the close of the fiscal year ended June 30, 1881, was..... \$3,979,814 46

Excess of receipts during last fiscal year 1,260,518 69

Balance to the credit of the revenue account at the close of the fiscal year ended June 30, 1882

5,240,333 15

Due by late postmasters { accounts in suit..... \$245,202 83

{ accounts not in suit..... 225,828 60

471,031 43

4,769,301 72

DEFICIENCY ACCOUNT.

The amount appropriated from the general Treasury to supply deficiencies in the revenue of the Post-Office Department for the fiscal year ended June 30, 1882, was \$2,152,258 00

The amount remaining undrawn, there having been no deficiency, is. 2,152,258 00

POSTMASTERS' QUARTERLY ACCOUNTS-CURRENT.

The net revenues of the department from postages, being the aggregate revenues at post-offices for the fiscal year, less the compensation of postmasters and clerks and the contingent office expenses, were:

For the quarter ended September 30, 1881..... \$6,199,870 23

For the quarter ended December 31, 1881..... 7,236,620 49

For the quarter ended March 31, 1882..... 7,486,798 28

For the quarter ended June 30, 1882..... 6,872,633 57

Total..... 27,789,922 57

The number of quarterly returns of postmasters received and audited, on which the above sum was found due the United States, was:

For the quarter ended September 30, 1881..... 44,502

For the quarter ended December 31, 1881..... 44,808

For the quarter ended March 31, 1882..... 44,979

For the quarter ended June 30, 1882..... 45,285

Total 179,574

STAMPS SOLD.

The amount of stamps, stamped envelopes and wrappers, newspaper and periodical stamps, and postal cards sold, was:

For the quarter ended September 30, 1881..... \$9,040,588 29

For the quarter ended December 31, 1881..... 10,179,991 18

For the quarter ended March 31, 1882..... 10,486,540 42

For the quarter ended June 30, 1882..... 9,996,237 11

Total 39,703,357 00

The amount of official stamps furnished the different departments, included in the above amount of stamps sold, was:

For the State Department	\$2, 849 80	
For the War Department	130, 335 98	
For the Interior Department	24, 397 99	
For the Department of Agriculture	1, 501 50	
For the Navy Department	680 00	
Total official stamps		\$166, 15 48
Total ordinary stamps sold		38, 537, 202 52

LETTER POSTAGES.

The amount of postage paid in money was \$97, 585 32
Included in the above amount are the following sums paid by foreign countries in the settlement of their accounts:

Kingdom of Great Britain and Ireland	\$14, 579 44	
Dominion of Canada	12, 756 46	
Republic of Mexico	2, 645 85	
Empire of Japan	4, 000 17	
Kingdom of Spain	1, 236 89	
Colony of New South Wales	740 25	
Kingdom of Norway	101 99	
Empire of Austria	40 34	
Republic of Switzerland	30 18	
Colony of Queensland	53 56	
Postal administration of Hong-Kong, China	99 91	
Administration of Straits Settlements, East Indies	12 75	
		37, 245 70
Balance collected by postmasters		60, 339 62

The following balances were paid and charged to the appropriations for—

BALANCES DUE FOREIGN COUNTRIES.

Service of 1882:

Empire of Germany	\$4, 444 62	
Kingdom of Belgium	8, 800 49	
Republic of France	2, 242 35	
Kingdom of Denmark	2, 662 49	
Kingdom of Roumania	152 65	
Kingdom of Sweden	638 10	
Kingdom of Italy	2, 093 14	
International Bureau—Postal Union	670 50	

Total, 1882 \$21, 733 34

Service of previous years:

Empire of Germany	\$4, 444 62	
Kingdom of Belgium	8, 800 49	
Republic of France	2, 242 35	
Kingdom of Denmark	2, 662 49	
Kingdom of Roumania	152 65	
Kingdom of Sweden	638 10	
Kingdom of Italy	2, 093 14	
Colony of St. Thomas, W. I.	800 04	
Colony of the Bahamas	61 07	
Total for previous years		21, 932 95
Aggregate amount paid		43, 666 29

MAIL TRANSPORTATION.

The amount charged to "transportation accrued" and placed to the credit of mail contractors and others for mail transportation during the fiscal year was:

For the regular supply of mail routes	\$19, 720, 246 84	
For the supply of "special" offices	42, 759 24	
For the supply of "mail messenger" offices	724, 714 69	

For the salaries of postal railway clerks, route agents, local mail agents, and mail-route messengers	3,235,907 25
For the salaries and expenses of the superintendents of the railway mail service.....	44,208 11
Total	23,777,016 83

FOREIGN MAIL TRANSPORTATION.

New York, Great Britain and Ireland, and countries beyond, via Great Britain	\$191,654 94
New York, Great Britain and Ireland, and Germany, and countries beyond.....	62,576 53
Philadelphia, Great Britain and Ireland.....	3,233 16
Boston, Great Britain and Ireland	840 90
Post-Office Department of Canada, English mail	408 77
New York, Baltimore, Philadelphia, Boston, Key West, New Orleans, and San Francisco, West Indies, Central and South America, Mexico, &c	30,596 20
New York and Newfoundland.....	21 54
Boston and Nova Scotia	65 36
Baltimore and Bremen	28 69
Upper Pacific coast, local mail.....	727 06
San Francisco, China, Japan, Farther India, Australia, and South Sea Islands.....	16,537 38
Expenses of government mail agent at Aspinwall	705 00
Expenses of government mail agent at Panama.....	1,125 00
Expenses of government mail agent at Shanghai, China.....	1,043 61
Total	309,564 14
Total	24,086,580 97
The amount credited to transportation accrued and charged to mail contractors for over-credits, being for "fines and deductions," was.....	222,115 65
Net amount of transportation accrued.....	23,864,465 32
The amount paid during the year was	22,766,887 10
Excess of transportation accrued	1,097,578 22

PACIFIC RAILROAD ACCOUNT.

Included in the above amount of transportation accrued are the following balances accrued for the transportation of the mails over Pacific railroads, certified to the Register of the Treasury under instructions of the Secretary, dated May 19, 1879, and August 28, 1880. The items are not charged as expenditures of the Post-Office Department (see Statutes, vol. 20, page 420):

Regular service, 1882:	
Union Pacific Railway Company	\$569,399 69
Central Pacific Railroad Company	463,856 48
Sioux City and Pacific Railroad Company.....	22,433 41
	\$1,055,689 58
Use of postal cars, 1882:	
Union Pacific Railway Company	68,716 03
Central Pacific Railroad Company	53,768 44
	122,484 47
Total certified for service of 1882.....	1,178,174 05
Regular service of previous years:	
Central Pacific Railroad Company.....	36,000 60
Sioux City and Pacific Railroad Company.....	10 72
Total certified for service of previous years.....	36,011 32
Aggregate amount certified during the fiscal year.....	1,214,185 37

STATEMENT OF THE CONDITION OF ACCOUNTS OF LATE POSTMASTERS.

Balance due the United States brought forward from last report.....	\$510,690 91
Balance due the United States on account of postmasters becoming late during the fiscal year.....	378,667 84
	889,578 75

Amount collected during the year.....	\$254,070 83	
Amount charged to "suspense".....	21,193 61	
Amount charged to "bad and compromise debts".....	143,282 58	
	<hr/>	\$418,547 32
Balance remaining due United States.....		471,031 43
Of which there is in suit.....	245,202 83	
Not in suit.....	225,828 60	
	<hr/>	471,031 43

Balance due late postmasters brought forward from last report.....	\$6,064 97	
Amount becoming due during the fiscal year.....	51,941 27	
	<hr/>	138,006 24
Amount paid during the year.....	66,501 26	
Amount credited to "suspense".....	24,011 14	
	<hr/>	90,512 40

Balance remaining due late postmasters.....		47,493 84
Amount in suit June 30, 1881.....		257,306 06
Amount submitted for suit during the fiscal year.....		1,507 13
		<hr/>
		258,813 19
Of which there was collected during the year.....	6,419 53	
Amount otherwise settled.....	7,190 83	
	<hr/>	13,610 36

Balance remaining in suit.....		245,202 83
Amount of costs and interest collected in suit.....		1,211 00

Statement of the net revenue derived from the domestic money-order transactions for the year ended June 30, 1882, and of the international money-order transactions for the year ended June 30, 1881.

Revenue accrued on domestic money-order transactions, 1882.....	\$280,341 17
Revenue accrued on international money-order transactions:	
Revenue accrued on Canadian transactions for 1881.....	\$7,776 31
Revenue accrued on British transactions for 1881.....	41,666 79
Revenue accrued on German transactions for 1881.....	18,908 10
Revenue accrued on Swiss transactions for 1881.....	2,442 33
Revenue accrued on Italian transactions for 1881.....	8,469 25
Revenue accrued on French transactions for 1881.....	1,163 40

Total international.....\$0,426 18

Total net revenue paid to postal account.....360,767 35

The following tables, numbered from 1 to 19, inclusive, exhibit more in detail the financial transactions of the department for the fiscal year:

No. 1.—*Statement exhibiting quarterly the receipts of the Post Office Department, under their several heads, for the fiscal year ended June 30, 1882.*

Accounts.	Quarter ended September 30, 1881.	Quarter ended December 31, 1881.	Quarter ended March 31, 1882.	Quarter ended June 30, 1882.	Aggregate.
Letter postage.....	\$48,218 32	\$20,880 54	\$25,669 37	\$2,817 49	\$97,585 32
Box-rents and branch offices.....	393,527 10	403,422 78	422,115 81	433,636 46	1,652,102 15
Fines and penalties.....	1,040 37	8,304 25	12,472 12	1,619 25	22,436 99
Postage stamps, stamped envelopes and wrappers, and postal cards.....	9,640,588 29	10,179,991 18	10,486,540 42	9,996,237 11	39,703,357 00
Dead letters.....	1,432 90	3,217 38	1,229 99	1,786 36	7,657 63
Revenue from money-order business.....				360,767 35	360,767 35
Miscellaneous.....	5,908 91	7,284 77	8,178 09	12,811 48	34,483 25
Total.....	9,490,796 35	10,620,490 20	10,926,235 80	10,809,686 50	41,876,410 15

No. 2.—Statement exhibiting quarterly the expenditures of the Post-Office Department, under their several heads, for the fiscal year ended June 30, 1882.

Appropriations.	Quarter ended September 30, 1881.	Quarter ended December 31, 1881.	Quarter ended March 31, 1882.	Quarter ended June 30, 1882.	Total expendi- tures on ac- count of 1882.	Expended on ac- count of pre- vious years.	Aggregate ex- penditures.
Compensation of postmasters.....	\$2, 142, 457 31	\$2, 921, 861 39	\$2, 330, 734 33	\$2, 268, 622 49	\$8, 964, 676 72	\$10, 611 00	\$8, 975, 317 72
Compensation of clerks for post-offices.....	992, 538 95	959, 305 32	974, 114 04	1, 022, 437 29	3, 908, 396 60	5, 326 22	3, 913, 722 82
Compensation of letter-carriers and incidental expenses.....	641, 404 46	633, 951 61	654, 913 89	672, 992 75	2, 623, 262 74	.....	2, 623, 262 74
Wrapping-paper.....	7, 102 25	7, 214 58	2, 135 69	3, 541 07	19, 993 69	.....	19, 993 69
Twine.....	8, 486 00	13, 974 00	12, 861 00	17, 433 64	52, 754 64	.....	52, 754 64
Postmarking and canceling stamps.....	2, 908 75	2, 663 15	3, 723 59	4, 758 90	14, 144 30	.....	14, 144 30
Letter balances.....	7, 088 20	8, 849 60	7, 731 10	1, 317 10	10, 000 00	.....	10, 000 00
Rent, light, and fuel for post-offices.....	88, 004 49	100, 565 30	98, 739 19	114, 515 05	401, 978 04	2, 461 49	404, 439 53
Stationery.....	13, 724 61	13, 697 69	14, 387 09	12, 708 08	56, 517 58	136 19	56, 653 47
Furniture for post-offices.....	15, 637 89	5, 945 14	3, 685 72	7, 887 89	20, 716 64	432 50	21, 149 14
Miscellaneous, office of First Assistant Post- master-General.....	16, 701 59	15, 946 05	14, 813 23	21, 133 89	68, 594 76	299 97	68, 894 73
Inland mail transportation, railroad.....	2, 427, 421 07	2, 526, 204 88	2, 573, 348 61	2, 739, 110 44	10, 286, 085 00	146, 741 25	10, 432, 826 25
Inland mail transportation, special facilities, railroads.....	50, 863 80	31, 570 83	61, 535 49	257, 563 54	381, 533 75	.....	381, 533 75
Inland mail transportation, star.....	1, 504, 685 36	1, 433, 816 98	1, 369, 142 40	1, 376, 871 59	5, 704, 466 33	96, 680 80	5, 801, 147 13
Inland mail transportation, steamboat.....	131, 874 70	142, 191 03	128, 967 38	141, 171 65	563, 204 76	3, 595 06	567, 100 72
Compensation of railway post-office clerks.....	369, 883 79	326, 142 88	324, 831 62	342, 546 01	1, 363, 407 50	13, 824 83	1, 377, 232 33
Compensation of railway post-office clerks.....	376, 315 06	386, 688 35	368, 816 00	412, 212 36	1, 573, 431 97	372 59	1, 574, 404 26
Compensation of route-agents.....	314, 942 39	331, 268 36	328, 445 38	347, 303 89	1, 321, 961 37	532 18	1, 322, 435 75
Compensation of mail-route messengers.....	48, 682 08	46, 277 83	44, 145 82	50, 294 73	189, 781 20	.....	189, 781 20
Compensation of local agents.....	39, 881 83	35, 601 79	36, 759 13	36, 985 72	149, 228 74	401 14	149, 228 74
Compensation of mail-messengers.....	171, 531 99	178, 064 82	179, 789 13	184, 218 01	713, 603 95	11, 110 74	724, 714 69
Mail locks and keys.....	4, 000 00	231 42	4, 504 95	.....	8, 736 37	96, 234 40	105, 120 97
Mail bags and catchers.....	75, 271 95	81, 479 51	26, 995 86	13, 288 63	197, 038 95	239 90	197, 269 85
Post route maps.....	9, 303 12	12, 125 28	14, 553 38	15, 932 82	51, 914 60	.....	51, 914 60
Mail depredations and post office inspectors.....	39, 562 51	41, 016 74	39, 457 68	44, 162 69	164, 219 62	27 51	164, 247 13
Fees to United States marshals, clerks, and counsel.....	196 45	1, 174 15	533 63	427 35	2, 331 63	1, 000 80	3, 332 43
Postage-stamps.....	23, 568 81	25, 402 08	28, 271 62	26, 622 72	103, 945 23	.....	103, 945 23
Distribution of postage-stamps.....	1, 782 96	1, 911 83	1, 624 17	1, 752 50	7, 051 46	.....	7, 051 46
Stamped envelopes and newspaper wrappers.....	131, 977 82	128, 247 20	133, 181 30	126, 993 13	516, 339 45	.....	516, 339 45
Distribution of stamped envelopes and news- paper wrappers.....	3, 740 00	3, 753 60	3, 740 00	3, 477 69	14, 711 20	.....	14, 711 20
Postal cards.....	33, 441 25	61, 059 30	49, 871 21	46, 892 35	191, 264 02	.....	191, 264 02
Distribution of postal cards.....	1, 666 63	1, 859 57	1, 689 44	1, 599 35	6, 755 19	8 39	6, 763 58
Registered, official, and dead-letter envelopes.....	16, 909 94	16, 495 65	19, 884 65	19, 184 89	72, 474 53	.....	72, 474 53
Ship, steamboat, and way letters.....	336 05	332 97	297 35	458 01	1, 444 38	.....	1, 444 38
Engraving, printing, and binding drafts and warrants.....	434 57	434 30	631 13	144 35	1, 644 35	.....	1, 644 35
Advertising.....	8, 626 72	15, 021 58	6, 519 82	5, 686 42	35, 854 54	1, 611 29	36, 465 83
Miscellaneous, office of the Postmaster-General.....	803 34	21 86	.....	281 85	1, 107 05	569 00	1, 677 05

Foreign mail transportation	81,355 94	74,572 30	69,515 18	278,731 00	386,414 38
Balances due foreign countries	16,038 14	3,456 24	2,542 35	21,733 34	43,666 29
Miscellaneous office of Second Assistant Post- master-General	26 55	287 40	103 76	477 71	477 71
Miscellaneous office of Third Assistant Post- master-General	145 50	112 92	34 50	992 22	992 22
Refund to New Zealand and New South Wales .....	.....	10,000 00	10,000 00	30,000 00	30,000 00
Miscellaneous money order building .....	.....	121 75	2,875 26	2,997 01	2,997 01
Rent, money-order building .....	.....	.....	1,000 98	1,000 98	1,000 98
Furniture, money-order building .....	.....	.....	5,252 18	5,252 18	5,252 18
Totals	9,941,976 70	9,976,307 81	10,434,539 28	40,039,634 75	40,482,021 23

No. 3.—Statement of the postal receipts and expenditures

Number.	States and Territories.	Receipts.				
		Letter postage.	Waste paper and twine.	Box rents and branch offices.	Postage-stamps, stamped envelopes, and postal cards.	Total receipts.
1	Maine.....	\$0 18	\$193 90	\$22,609 25	\$399,262 53	\$627,065 95
2	New Hampshire.....	03	184 90	16,950 91	342,144 26	359,280 10
3	Vermont.....	06	167 90	11,813 62	312,114 29	324,095 87
4	Massachusetts.....	6,254 17	1,249 32	124,007 87	2,666,558 23	2,798,069 59
5	Rhode Island.....	.....	152 24	21,798 92	294,820 02	316,771 18
6	Connecticut.....	63	337 85	45,938 84	774,237 36	820,514 68
7	New York.....	43,325 14	6,731 58	186,901 34	7,376,041 01	7,612,999 07
8	New Jersey.....	1 77	368 11	30,716 73	817,253 23	848,399 84
9	Pennsylvania.....	8,646 61	1,507 07	105,537 75	3,684,527 64	3,800,219 07
10	Delaware.....	18	24 00	1,823 13	94,911 07	96,758 47
11	Maryland.....	1 32	124 22	11,799 73	729,629 35	741,554 62
12	Virginia.....	3 89	156 67	13,470 41	608,531 10	622,162 07
13	West Virginia.....	33	77 72	5,591 36	219,326 99	224,996 40
14	North Carolina.....	7 40	68 08	10,444 56	303,561 83	314,081 87
15	South Carolina.....	81	45 52	7,689 45	246,911 80	254,647 56
16	Georgia.....	6 97	209 51	17,492 29	491,604 40	509,313 17
17	Florida.....	.....	31 38	6,870 69	146,400 79	153,302 86
18	Ohio.....	9 85	2,139 37	97,802 72	2,629,765 54	2,729,717 48
19	Michigan.....	9 24	803 27	83,743 54	1,377,195 50	1,461,751 55
20	Indiana.....	3 12	887 95	54,128 99	1,037,516 08	1,112,536 14
21	Illinois.....	6 90	2,912 73	128,993 89	3,360,023 06	3,491,936 58
22	Wisconsin.....	6 25	448 96	57,304 53	956,557 83	1,014,317 57
23	Iowa.....	2 59	633 70	90,108 26	1,280,913 16	1,371,657 71
24	Missouri.....	19 82	956 40	45,208 81	1,676,793 42	1,723,018 45
25	Kentucky.....	2 75	518 67	20,572 47	607,616 88	628,710 77
26	Tennessee.....	4 57	174 83	12,819 03	479,295 22	492,293 65
27	Alabama.....	8 01	71 39	14,191 83	299,576 38	313,847 61
28	Mississippi.....	1 08	56 69	14,883 43	246,117 89	260,559 09
29	Arkansas.....	3 82	52 20	12,110 75	226,671 96	238,838 73
30	Louisiana.....	06	128 69	18,510 50	389,494 51	408,133 76
31	Texas.....	7 21	225 18	48,363 70	745,269 66	793,865 75
32	California.....	3 85	474 28	66,970 06	1,068,187 52	1,135,635 71
33	Oregon.....	1 70	62 06	12,124 22	158,960 15	171,148 73
34	Minnesota.....	23 13	303 49	37,503 48	721,378 38	759,208 48
35	Kansas.....	9 92	223 11	46,611 68	689,538 64	736,383 35
36	Nebraska.....	35 61	92 44	24,750 99	399,198 51	424,077 55
37	Nevada.....	58	15 25	11,044 00	73,567 47	84,627 30
38	Colorado.....	1 90	246 80	44,206 13	438,341 65	482,796 48
39	Utah.....	1 08	63 24	8,362 49	110,132 80	118,559 61
40	New Mexico.....	24	13 45	4,748 50	72,088 83	76,851 02
41	Washington.....	3 21	6 34	5,720 06	67,814 48	73,544 09
42	Dakota.....	1 88	30 59	13,874 54	191,727 59	205,634 60
43	Arizona.....	.....	30 10	5,771 25	56,335 44	62,136 79
44	Idaho.....	1 66	22 92	2,576 05	40,239 30	42,840 82
45	Wyoming.....	2 20	1 88	3,672 35	41,456 86	45,136 29
46	Montana.....	2 00	50 47	11,927 42	86,878 75	98,855 64
47	Alaska.....	.....	.....	.....	337 84	337 84
48	District of Columbia.....	.....	363 09	4,719 58	253,399 24	258,481 91
49	Ind. Territory.....	73	60	608 55	23,090 77	23,700 65
Deduct miscellaneous items.....		58,424 45	23,683 89	1,649,891 55	39,536,317 21	41,265,317 10
Add miscellaneous items.....		39,160 87	.....	2,240 66	170,639 79	211,441 32
		97,585 32	23,683 89	1,652,132 21	39,703,357 00	41,476,758 42

of the United States for the fiscal year ended June 30, 1882.

Expenditures.									
Compensation of post- masters.	Charges for offices, rent, light, and fuel, and incidental expenses of post-offices.	Compensation of letter- carriers.	Compensation of letter- agents, post-holway clerks, mail inspec- tors, and supply of special deliver.	Transportation by States.	Total expenditures.	Excess of expenditures over receipts.	Excess of receipts over expendi- tures.	Number.	
\$192,011 78	\$56,916 93	\$11,540 67	\$50,405 56	\$320,046 47	\$542,981 41		\$84,084 54	1	
128,327 39	22,688 78	7,772 06	22,352 80	165,191 05	286,532 36		72,947 74	2	
125,288 06	15,462 32	2,648 37	13,766 31	144,935 12	301,500 18		19,365 09	3	
384,806 00	349,217 58	246,002 00	284,794 09	447,571 22	1,717,481 49	1,080,588 10		4	
44,238 97	32,510 32	26,412 40	10,180 76	48,487 20	162,129 77	154,641 41		5	
189,976 00	77,605 92	35,211 00	53,457 51	263,920 17	618,604 29	261,310 00		6	
822,943 94	1,177,187 79	769,597 90	464,671 17	1,897,388 37	5,011,589 17	2,601,403 90		7	
204,767 22	54,193 20	74,179 39	33,515 47	667,329 71	674,124 99	174,214 85		8	
688,200 73	400,932 14	371,765 34	312,376 47	1,009,504 84	2,782,779 52	1,017,439 55		9	
26,311 07	6,357 58	8,362 56	8,243 41	27,943 82	77,508 51	19,159 96		10	
104,541 50	92,660 09	76,891 12	57,335 92	412,316 60	743,763 22	2,148 60		11	
197,539 47	51,282 30	24,640 80	64,197 29	506,937 02	964,866 88	312,734 81		12	
82,703 13	14,463 68	6,669 46	17,397 23	121,799 23	243,026 70	18,000 30		13	
126,455 73	19,640 37		29,245 79	374,498 35	449,780 24	135,688 27		14	
89,666 72	13,730 16	7,160 64	42,286 25	212,521 52	369,309 26	104,657 65		15	
143,690 52	48,203 72	20,694 05	94,148 45	411,251 00	718,258 64	208,945 47		16	
58,317 42	10,530 81		18,562 82	177,065 81	264,476 87	111,174 01		17	
557,722 21	256,192 60	162,755 60	559,896 67	1,433,645 41	2,970,211 69	240,491 41		18	
406,906 36	97,665 15	45,297 34	116,926 84	454,321 83	1,121,077 72	340,673 83		19	
338,896 00	95,413 98	55,981 96	116,611 01	501,863 64	1,109,169 65	3,306 46		20	
624,296 18	439,652 69	211,772 89	391,495 97	1,187,500 30	2,827,628 03	684,208 55		21	
295,907 51	80,761 75	30,148 04	64,095 77	462,520 72	877,433 79	136,883 78		22	
452,289 36	79,375 43	25,032 92	131,107 91	537,479 64	1,225,284 36	146,373 35		23	
318,290 52	192,352 10	143,764 41	242,908 08	663,656 41	1,870,901 63	197,673 18		24	
171,796 85	51,445 16	35,600 10	58,363 45	401,935 39	719,171 00	96,800 25		25	
136,137 04	48,293 60	20,678 08	76,175 06	266,508 31	511,752 80	19,459 24		26	
116,657 87	26,822 22	5,114 19	22,595 69	226,687 88	497,277 85	183,430 24		27	
114,836 96	14,005 18		17,566 11	267,414 80	394,742 13	94,183 06		28	
98,765 83	19,255 84	4,259 95	27,594 46	278,365 66	428,354 68	189,412 95		29	
77,375 06	58,752 98	44,834 64	28,471 48	274,078 61	382,512 80	75,379 04		30	
260,973 05	67,789 43	15,131 81	59,829 80	843,151 00	1,252,885 00	439,619 34		31	
236,374 08	141,228 97	74,064 18	85,762 15	1,196,357 01	1,443,886 99	568,361 28		32	
56,477 43	11,560 95	4,508 75	16,480 73	193,111 88	295,129 74	123,981 01		33	
203,337 53	58,833 88	25,374 94	76,552 67	371,711 44	736,712 46	22,426 02		34	
277,035 62	47,496 02	8,193 08	84,761 30	569,664 41	980,566 30	236,187 21		35	
143,691 42	29,419 95	8,937 49	73,898 81	670,641 67	819,879 43	501,801 79		36	
40,241 72	10,477 73		2,624 04	169,732 92	222,682 41	155,000 10		37	
122,037 99	57,284 17	13,516 80	37,915 74	499,778 02	689,687 35	179,294 67		38	
43,941 89	13,580 21		14,864 07	378,344 88	44,771 13	3,316 32		39	
30,786 35	3,457 57		16,840 93	94,183 54	141,368 29	98,417 27		40	
30,743 47	3,116 60		4,435 84	189,714 34	189,619 45	9,360 36		41	
84,613 62	11,625 69		9,936 41	169,081 08	169,700 80	6,618 72		42	
25,904 39	4,660 24		1,258 50	155,244 67	167,477 10	3,272 51		43	
21,480 30	1,081 50		1,232 32	163,184 36	184,553 88	141,712 55		44	
18,191 48	3,627 48		523 38	85,777 47	77,820 81	77,820 81		45	
38,211 44	7,783 90		62 98	169,825 09	222,114 96	169,536 23		46	
177 51					177 51		108 38	47	
4,465 79	139,877 55	48,477 90	133,463 84		319,485 11	24,604 29		48	
12,317 02	297 00		10 00		168,961 40	84,300 78		49	
8,964,606 50	4,569,342 65	2,617,574 56	4,663,641 35	19,415,486 36	39,719,559 29	184,996 58	6,734,794 80	50	
10,711 22	18,225 84	5,688 18	516 93		39,695 42	79,999 42	101,141 00	51	
8,975,317 72	4,577,569 49	2,623,262 74	4,663,561 88	19,513,280 35	39,699,932 78	5,114,939 16	6,695 80	52	

No. 3.—*Statement by States of the postal receipts and expenditures, &c.*—Continued.

Items of expenditure of a general nature not embraced above.	Items of receipt of a general nature not embraced above.
<p>Amount paid for foreign mails and expenses of government agents... \$296,414 38</p> <p>Balances paid foreign countries... 43,666 29</p> <p>Ship, steamboat, and way letters... 1,444 38</p> <p>Wrapping-paper... 19,993 59</p> <p>Twine... 52,754 64</p> <p>Post-route maps... 51,914 60</p> <p>Advertising... 23,282 74</p> <p>Mail bags and catchers... 146,006 67</p> <p>Salary and expenses of assistant superintendents of the railway mail service... 44,208 11</p> <p>Mail locks and keys... 195,120 97</p> <p>Postmarking and canceling stamps... 14,144 30</p> <p>Mail depredations and post-office inspectors... 167,579 56</p> <p>Letter balances... 10,000 00</p> <p>Expenses of postage-stamps, stamped envelopes, wrappers and cards... 834,134 94</p> <p>Dead-letter, official, and registered-package envelopes... 72,474 53</p> <p>Sundry and miscellaneous payments... 46,466 97</p> <p>Total excess of receipts over expenditures... 1,394,388 92</p> <p>3,333,995 59</p>	<p>Receipts on account of dead letters... \$7,657 63</p> <p>Receipts on account of fines and penalties... 20,426 99</p> <p>Receipts on account of miscellaneous... 10,799 76</p> <p>Revenue from money-order business... 360,767 35</p> <p>Excess of receipts brought down... 1,836,765 64</p> <p>Excess of transportation accrued... 1,097,578 22</p> <p>3,333,995 59</p>

No. 4.—Statement showing the condition of the account, with each item of the appropriation, for the service of the Post-Office Department for the fiscal year ended June 30, 1882.

Title of appropriations.	Amount appropriated, including special acts and deficiencies.	Expended.	Balance unexpended.	Excess of expenditures.
Compensation of postmasters.....	\$8,992,266 88	\$8,904,076 72	\$87,530 16	
Compensation of clerks for post-offices....	3,930,000 00	3,908,336 60	41,663 40	
Compensation of letter-carriers and incidental expenses.....	2,025,000 00	2,024,202 74	1,797 26	
Wrapping-paper.....	25,000 00	12,996 39	5,000 41	
Twine.....	55,000 00	52,764 64	2,235 36	
Postmarking and canceling stamps.....	15,000 00	14,144 00	856 00	
Letter-balances.....	10,000 00	10,000 00		
Rent, light, and fuel for post-offices.....	425,000 00	401,978 64	23,021 96	
Stationery.....	50,000 00	56,517 28		\$6,517 28
Furniture for post-offices.....	20,000 00	20,716 64		716 64
Miscellaneous, office of First Assistant Postmaster-General.....	90,000 00	68,394 76	21,605 24	
Inland mail transportation, railroad.....	10,608,282 00	10,286,085 00	322,197 00	
Inland mail transportation, special facilities, railroads.....	425,000 00	381,533 75	43,466 25	
Inland mail transportation, stage.....	7,500,000 00	5,704,460 39	2,194,539 61	
Inland mail transportation, steamboat.....	325,000 00	563,564 76	361,495 24	
Transportation by postal-cars.....	1,426,000 00	1,303,407 30	122,592 70	
Compensation of railway post-office clerks.....	1,500,000 00	1,574,031 97	15,968 03	
Compensation of route-agents.....	1,320,000 00	1,321,961 57		1,961 57
Compensation of mail-route messengers.....	200,000 00	189,380 06	10,619 94	
Compensation of local agents.....	150,000 00	149,228 74	771 26	
Compensation of mail-messengers.....	775,750 00	713,608 95	62,141 05	
Mail locks and keys.....	25,000 00	8,736 37	16,263 63	
Mail-bags and catchers.....	200,000 00	197,048 95	2,951 05	
Post-route maps.....	51,914 60	51,914 60		
Mail depredations and post-office inspectors.....	175,000 00	166,551 25	8,448 75	
Postage-stamps.....	165,000 00	103,945 23	1,054 77	
Distribution of postage-stamps.....	8,100 00	7,051 46	1,048 54	
Stamped envelopes and newspaper wrappers.....	515,000 00	519,389 45	4,600 55	
Distribution of stamped envelopes and newspaper wrappers.....	16,000 00	14,711 20	1,288 80	
Postal cards.....	295,000 00	191,264 02	104,735 98	
Distribution of postal cards.....	7,300 00	6,265 19	1,034 81	
Registered, official, and dead-letter envelopes.....	120,000 00	72,474 53	47,525 47	
Ship, steamboat, and way letters.....	4,300 00	1,444 38	2,855 62	
Engraving, printing, and binding drafts and warrants.....	1,644 35	1,644 35		
Advertising.....	55,000 00	35,254 54		25,745 46
Miscellaneous, office of the Postmaster-General.....	2,000 00	1,107 05	892 95	
Foreign mail transportation.....	295,000 00	278,351 00	16,649 00	
Balances due foreign countries.....	45,000 00	21,594 41	23,260 60	
Miscellaneous, office of the Second Assistant Postmaster-General.....	1,000 00	477 71	522 29	
Miscellaneous, office of the Third Assistant Postmaster-General.....	1,000 00	292 22	707 78	
Refund to New Zealand and New South Wales.....	40,000 00	20,000 00	20,000 00	
Miscellaneous, money-order building.....	3,000 00	1,000 00	2,000 00	
Rent, money-order building.....	5,000 00	1,000 00	4,000 00	
Furniture, money-order building.....	10,000 00	8,500 28	1,500 72	
Totals.....	43,542,697 83	40,039,634 75	3,503,063 08	9,450 03

No. 5.—Statement in detail of miscellaneous payments made by the Post-Office Department for the fiscal year ended June 30, 1882, and charged to "Miscellaneous Account, Postmaster-General."

AMOUNTS PAID BY WARRANT.

Date.	To whom allowed.	For what object.	Amount.
1881. July 13	F. B. Conger, treasurer of the National Republican Printing Co.	For one year's subscription to paper from July 1, 1881, to June 30, 1882.	\$6 00
Aug. 10	John R. Van Wormer, chief clerk of the Post-Office Department.	For hotel bills and incidental expenses during August, 1881.	7 00
22	John R. Van Wormer, chief clerk of the Post-Office Department.	For railroad fares and hotel bills during August, 1881.	7 00
26	Frank B. Conger, treasurer of the National Republican Printing Co.	For subscription to paper from July 1 to August 20, 1881.	86
1882. Jan. 5	Frank B. Conger, treasurer of the National Republican Printing Co.	For subscription to paper from July 1 to August 20, 1881.	86
Mar. 9	John C. Parker	For subscription to the New York Tribune from July 1 to December 31, 1881.	7 50
July 10	New York Herald	For subscription to paper from February 11 to June 30, 1882.	4 00
10	W. F. Storey, proprietor of the Chicago Times.	For subscription to paper from January 1 to June 30, 1882.	6 50
10	Keppler & Schwarzman, proprietors of Puck.	For subscription to Puck from February 8 to June 28, 1882.	2 10
10	Wm. Penn Nixon, publisher of the Inter-Ocean.	For subscription to the Inter-Ocean from February 13 to June 30, 1882.	3 75
21	M. E. Mann	For copy of American Cyclopaedia and Annual Cyclopaedia.	126 00
21	Wm. W. Moore, treasurer of the Metropolitan Railroad Co.	For car tickets for use of the Post-Office Department.	100 00
24	Horace Rublee, editor of the Republican-Sentinel.	For subscription from January 1 to June 30, 1882.	5 00
Aug. 23	The Globe Printing Company, of Saint Louis, Mo.	For subscription to Globe-Democrat from February 15 to June 30, 1882.	4 50
26	Rand, McNally & Co.	For Atlas of the World, June 30, 1882	30 00
		Total paid by warrant	\$311 07

AMOUNTS CREDITED ON GENERAL ACCOUNT.

1881. Dec. 24	J. O. P. Burnside, disbursing clerk, Post-Office Department.	Advanced and certified by the Postmaster-General, under date of June 13 and June 23, 1881, "to be for legal expenses for which it is inexpedient to furnish vouchers."	\$560 00
24	J. O. P. Burnside, disbursing clerk, Post-Office Department.	Advanced and certified by the Postmaster-General, under date of July and August, 1881, "to be for legal expenses for which it is inexpedient to furnish vouchers."	563 00
Nov. 1	J. R. Van Wormer, chief clerk, Post-Office Department.	For amount expended while traveling on official business, by order of the Postmaster-General.	219 43
1882. Jan. 13	J. R. Van Wormer, chief clerk, Post-Office Department.	For amount expended while traveling on official business, by order of the Postmaster-General.	13 50
		Total	\$1,355 98

RECAPITULATION

Total paid by warrant	\$311 07
Total credited on general account	1,355 98
Total "Miscellaneous, Postmaster-General"	\$1,667 05

No. 6.—Statement in detail of miscellaneous payments made by the Post-Office Department for the fiscal year ended June 30, 1882, and charged to "Miscellaneous Account, First Assistant Postmaster-General."

AMOUNTS PAID BY WARRANT.

Date.	To whom allowed.	For what object.	Amount.
1881.			
Aug. 3	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad fares and hotel bills during July, 1881.	\$14 10
19	H. J. McKusick, superintendent railway mail service.	For telegrams and miscellaneous expenses during July, 1881.	21 55
29	James E. White, assistant superintendent railway mail service.	For telegrams and miscellaneous expenses during July, 1881.	32 93
Sept. 1	R. C. Jackson, superintendent railway mail service.	For telegrams and hotel expenses during July, 1881.	154 99
1	L. M. Terrell, superintendent railway mail service.	For telegrams, railroad fares, and hotel bills during July, 1881.	79 68
15	R. C. Jackson, superintendent railway mail service.	For telegrams, hotel bills, and other expenses during August, 1881.	97 66
15	H. J. McKusick, superintendent railway mail service.	For telegrams and miscellaneous expenses during August, 1881.	61 01
15	L. M. Terrell, superintendent railway mail service.	For telegrams and miscellaneous expenses during August, 1881.	75 92
15	M. V. Bailey, superintendent railway mail service.	For railroad and steamboat fares and hotel bills during August, 1881.	99 93
17	W. G. Lovell, superintendent railway mail service.	For telegrams, hotel bills, and other expenses during August, 1881.	97 65
27	W. E. Thompson, general superintendent railway mail service.	For railroad and hotel fares during July, 1881.	29 85
27	W. E. Thompson, general superintendent railway mail service.	For railroad and hotel fares during August, 1881.	17 00
28	C. J. French, superintendent railway mail service.	For railroad fares, telegrams, and hotel bills during August, 1881.	109 71
28	James E. White, superintendent railway mail service.	For telegrams, hotel fares, and miscellaneous expenses during August, 1881.	68 95
30	T. P. Cheney, superintendent railway mail service.	For printing time-cards and for telegrams during July, 1881.	25 72
30	T. P. Cheney, superintendent railway mail service.	For railroad fares, telegrams, and hotel bills during August, 1881.	54 98
Oct. 12	The National Capital Telephone Company.	For rent of telephone for the quarter ended September 30, 1881.	81 25
15	James E. White, superintendent railway mail service.	For telegrams, hotel bills, and miscellaneous expenses during June, 1881.	72 61
Dec. 19	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad fares, hotel bills, &c., during October, 1881.	46 79
1882.			
Feb. 13	O. H. Irish, Chief Bureau Engraving and Printing.	For altering dies, printing, numbering, and binding 1,500 inspectors' commissions.	126 09
18	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad and hotel fares during February, 1882.	8 25
Mar. 27	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad and hotel fares during March, 1882.	15 25
Apr. 28	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad fares and hotel bills during April, 1882.	16 69
May 16	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad and hotel fares and telegrams during May, 1882.	17 19
June 5	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For railroad and hotel fares and miscellaneous expenses during May, 1882.	18 69
26	B. D. Adsit, principal clerk salary and allowance division, Post-Office Department.	For hotel fares and railroad expenses during June, 1882.	6 25
Total paid by warrant			1,929 74

AMOUNTS PAID BY DRAFT.

1881.			
Aug. 10	M. V. Bailey, superintendent railway mail service.	For hotel fares, printing schedules and telegrams during July, 1881.	\$67 57
13	Willard G. Lovell, superintendent railway mail service.	For telegrams, railroad fares, and hotel bills during July, 1881.	99 99
Total paid by draft			267 57

No. 6.—Statement in detail of miscellaneous payments, &c.—Continued.

AMOUNTS CREDITED POSTMASTERS ON THEIR GENERAL ACCOUNTS.

Date.	To whom allowed.	For what object.	Amount.
1882.			
Mar. 23	Thomas L. James, postmaster at New York.	For amount paid for trucks in first quarter, 1880.	\$150 00
Oct. 21	Samuel Hays, postmaster at Saint Louis, Mo.	For rent of telephone in third quarter, 1881.	20 00
Nov. 12	E. R. Wise, postmaster at Warren, Ohio.	For amount of freight on safe, second quarter, 1881.	23 50
19	C. E. Carr, postmaster at Galesburgh, Ill.	For rent of telephone and carpenters' work, second quarter, 1871.	35 95
Dec. 16	J. H. Manley, postmaster at Augusta, Me.	For miscellaneous expenses, third quarter, 1881.	138 20
Jan. 17	W. N. Byers, postmaster at Denver, Colo.	For rent of telephone, third quarter, 1881...	13 50
Feb. 2	John P. Chum, postmaster at Tombstone, Ariz.	For amount allowed for hauling, second quarter, 1881.	40 00
16	Samuel Hays, postmaster at Saint Louis, Mo.	For rent of telephone for fourth quarter, 1881.	22 50
Mar. 20	S. M. Yost, postmaster at Staunton, Va.	For water-rent, oil, and moving post-office fixtures, fourth quarter, 1879.	14 40
20	S. M. Yost, postmaster at Staunton, Va.	For gas-fittings, water-rent, &c., third and fourth quarters, 1880, and second quarter, 1881.	14 51
28	W. N. Byers, postmaster at Denver, Colo.	For rent of telephone during fourth quarter, 1881.	13 50
June 6	S. M. Yost, postmaster at Staunton, Va.	For work and materials in moving post-office, second quarter, 1880.	71 00
12	James T. Pritchard, postmaster at Fredericksburgh, Va.	For repairs to safe during first quarter, 1882.	5 00
27	E. R. Wise, postmaster at Warren, Ohio.	For horse and buggy hire in first quarter, 1882.	2 00
Aug. 1	H. G. Pearson, postmaster at New York, N. Y.	For amount of attorney's fees in suit against postmaster at New York.	23 74
16	Thomas F. Hall, postmaster at Omaha, Nebr.	For printing letter slips and heads, second quarter, 1882.	21 50
Sept. 21	F. Lowry, postmaster at Dayton, Ohio.	For amount for repairing closet, first quarter, 1881.	3 14
22	Lewis McKenzie, postmaster at Alexandria, Va.	For amount paid for ice, second quarter, 1881.	10 00
30	J. K. Dawes, postmaster at Easton, Pa.	For amount expended in cleaning office, second quarter, 1882.	21 12
		Total.....	643 56

RECAPITULATION.

Amount allowed to the postmasters at the principal post-offices, credited in quarterly accounts current, for incidental expenses, such as office repairs, gas-fixtures, telegrams, &c.:

Third quarter, 1881.....	\$15,312 14
Fourth quarter, 1881.....	15,727 85
First quarter, 1882.....	14,711 73
Second quarter, 1882.....	21,006 54
Total.....	66,758 26
Amount paid by warrant.....	\$1,329 74
Amount paid by draft.....	167 17
Amount allowed postmasters and others, credited on general accounts.....	643 56
	2,140 47
Total.....	68,898 73
Deduct amount of counter-entries.....	4 00
Amount actually paid and charged to "Miscellaneous, First Assistant Postmaster-General".	68,894 73

No. 7.—Statement in detail of miscellaneous payments made by the Post-Office Department for the fiscal year ended June 30, 1882, and charged to "Miscellaneous Account, Second Assistant Postmaster-General."

AMOUNTS PAID BY WARRANT.

Date.	To whom allowed.	For what object.	Amount.
1881. Aug. 16	Isaac C. Slater, superintendent railway adjustments.	For personal expenses incurred under order of the Postmaster-General at July 16, 1881.	\$60 00
Oct. 10	Isaac C. Slater, superintendent railway adjustments.	For railroad fares and hotel bills during October, 1881.	4 95
Dec. 3	John C. Parker	For subscription to New York Tribune from July 1 to December 31, 1881.	12 50
1882. Jan. 10	H. K. Johnson	For railroad fares and hotel bills during January, 1882.	17 90
13	O. H. Irish, Chief of Bureau of Engraving and Printing.	For making brass seal for mailing proposals, December, 1881.	10 00
20	Thomas Sisco	For seven (7) days services on treading printing press, January, 1882.	14 00
20	James I. Miles	For seven (7) days services on treading printing press, January, 1882.	14 00
24	Byron S. Adams	For press work in stamping bids for 1882, during January, 1882.	25 00
May 8	J. Bradley Adams	For subscription to New York Tribune and New York Times from December 22, 1881, to July 1, 1882.	15 90
Jun 22	Walter Spangler, clerk in the inspection division of the Second Assistant Postmaster-General's Office	For railroad fares and hotel bills incurred during April, 1882.	33 00
July 1	John C. Parker	For subscription to the New York Times from January 1 to June 30, 1882.	7 30
6	R. A. Elmer, Second Assistant Postmaster-General.	For expenses incurred in the examination of the postal service in Florida during November and December, 1881.	68 25
Total paid by warrant			277 71

AMOUNT CREDITED ON GENERAL ACCOUNT.

1882. Jan 30	Walter Spangler, clerk in the inspection division of the Post-Office Department.	For amount allowed for personal expenses while on business for the Post-Office Department, June, 1882.	\$200 00
Total			200 00
Total Miscellaneous Second Assistant Postmaster-General.			477 71

No. 8.—Statement in detail of miscellaneous payments made by the Post-Office Department for the fiscal year ended June 30, 1882, and charged to "Miscellaneous Account, Third Assistant Postmaster-General."

AMOUNTS PAID BY WARRANT.

Date.	To whom allowed.	For what object.	Amount.
1881. Dec. 3	John C. Parker.....	For subscription to New York Times from July 1 to December 31, 1881.	\$7 50
1882. Jan. 5	A. D. Hazen, Third Assistant Postmaster-General.	For personal expenses while on official business, September, 1881.	138 00
Feb. 9	E. J. Dallas, chief of dead-letter division.	For traveling expenses under order of Third Assistant Postmaster-General, January, 1882.	66 50
Mar. 8	D. and J. Sadlier & Co	For cloth Directory (Catholic), February, 1882, for use of dead-letter office.	1 50
8	George P. Rowell & Co.....	For copy of American Newspaper Directory, January, 1882, for use of dead-letter office.	5 00
8	T. Cotesworth Pinckney.....	For United States school and college directories, January, 1882—dead-letter office.	5 00
9	Henry A. Hazen.....	For copy of Ministry and Churches of New Hampshire, for use of dead-letter office.	1 50
9	Rand, McNally & Co.....	For two atlases for use of dead-letter office.	27 00
9	S. E. Cassino.....	For copy of Scientists' Directory, January, 1882, for use of dead-letter office.	2 50
9	The Presbyterian Board of Publication.	For two copies of Minutes for use of dead-letter office.	2 22
9	B. Griffith, secretary of the American Baptist Publication Society.	For two copies Baptist Year Book, February, 1882—dead-letter office.	1 00
July 10	Henry Fleetwood	For copy of Rand & McNally's indexed atlas, July, 1882, for use of dead-letter office.	27 00
10	John C. Parker.....	For subscription to New York Tribune from January 1 to June 30, 1882.	7 50
		Total paid by warrant.....	292 22

No. 9.—Table showing the receipts, expenditures, and net revenue of the post-offices at which the free-delivery system is in operation, for the fiscal year ended June 30, 1882.

Offices.	Gross revenue.	Office expenses.	Free delivery.	Total expenses.	Net revenue.	Per cent. expense on gross revenue.
Akron, Ohio.....	\$69,892 82	\$7,184 05	\$3,359 95	\$10,544 00	\$20,348 82	34
Albany, N. Y.....	160,573 31	37,791 49	27,041 55	64,833 04	95,740 27	41
Allegheny, Pa.....	31,828 12	7,810 96	9,345 03	17,155 99	17,672 13	50
Atlanta, Ga.....	32,496 10	14,899 36	6,937 47	21,747 40	70,748 70	23
Auburn, N. Y.....	34,394 95	8,543 77	4,774 44	13,318 21	24,076 74	39
Augusta, Ga.....	35,393 49	9,352 03	4,453 78	14,406 41	20,987 08	41
Augusta, Me.....	88,371 74	14,163 49	2,699 87	21,743 36	66,628 38	25
Baltimore, Md.....	496,491 24	85,396 29	78,861 11	162,257 40	334,233 84	33
Bangor, Me.....	29,670 22	8,467 80	3,400 00	11,867 80	17,202 42	41
Bloomington, Ill.....	33,958 69	8,739 17	5,144 59	13,774 76	20,083 33	41
Boston, Mass.....	1,405,126 99	256,793 68	185,267 51	442,061 19	963,065 80	31
Bridgeport, Conn.....	52,260 62	11,257 61	5,639 11	16,896 72	35,363 90	36
Brooklyn, N. Y.....	290,737 85	60,953 99	104,285 76	165,239 66	125,498 19	57
Buffalo, N. Y.....	268,827 94	30,065 19	35,247 03	65,312 22	202,975 72	24
Burlington, Iowa.....	45,480 75	9,146 29	5,690 96	14,837 25	30,643 50	33
Burlington, Vt.....	24,431 92	5,856 08	2,648 37	8,504 45	15,927 47	35
Camden, N. J.....	23,294 31	6,306 82	3,921 80	12,228 62	11,065 69	52
Charleston, S. C.....	73,390 51	12,421 92	7,160 64	19,582 56	53,807 95	27
Chicago, Ill.....	1,738,867 23	344,673 06	187,486 00	532,169 06	1,206,648 17	31
Cincinnati, Ohio.....	365,563 38	104,447 59	75,580 28	180,027 87	415,555 51	30
Cleveland, Ohio.....	289,774 60	40,087 29	36,561 21	77,248 50	212,526 10	27
Columbus, Ohio.....	108,657 31	18,739 95	12,274 82	31,058 77	77,898 54	29
Concord, N. H.....	27,983 10	7,348 65	2,791 81	10,053 46	17,929 64	36
Covington, Ky.....	19,502 24	5,532 56	4,652 21	10,184 77	9,317 47	52
Dallas, Tex.....	36,215 46	10,690 70	4,204 08	14,354 78	21,860 68	40
Dayton, Ohio.....	38,403 76	9,320 17	6,829 12	16,149 29	22,254 47	43
Denver, Colo.....	69,413 32	13,325 13	10,852 16	24,177 29	45,236 03	35
Denver, Colo.....	143,078 70	27,461 23	9,291 85	36,713 08	106,365 62	26
Des Moines, Iowa.....	77,602 52	10,540 20	7,061 94	17,602 14	60,000 38	23
Detroit, Mich.....	294,307 47	38,229 52	33,154 17	71,383 69	222,923 78	24
Dubuque, Iowa.....	42,231 69	8,345 75	5,450 00	13,795 75	28,435 94	33
Easton, Pa.....	22,083 26	6,403 80	5,744 61	12,148 44	9,934 82	55
Elizabeth, N. J.....	32,083 26	7,110 12	5,336 78	12,446 90	19,636 36	30
Elmira, N. Y.....	43,651 98	11,413 48	5,855 43	17,268 91	26,383 07	40
Erie, Pa.....	38,820 37	9,048 26	6,787 83	15,836 09	22,984 28	41
Evansville, Ind.....	37,917 03	10,657 05	6,843 92	17,500 97	20,416 06	45
Fall River, Mass.....	30,150 95	8,137 18	5,542 42	13,679 60	16,471 35	45
Fort Wayne, Ind.....	36,092 02	10,033 54	6,345 37	16,378 91	19,713 11	45
Galveston, Tex.....	76,157 91	15,628 45	6,126 03	21,754 48	54,403 43	29
Grand Rapids, Mich.....	11,569 60	10,369 73	8,126 11	18,495 84	53,044 76	26
Harrisburgh, Pa.....	48,072 90	15,427 82	5,490 00	20,827 82	27,245 08	43
Hartford, Conn.....	134,068 40	22,620 25	9,713 48	32,333 73	97,134 67	25
Hoboken, N. J.....	14,294 15	8,952 05	3,482 68	7,434 73	6,859 42	52
Houston, Tex.....	42,760 30	10,098 78	4,741 70	17,800 48	24,958 82	41
Indianapolis, Ind.....	147,661 10	36,867 75	27,857 28	65,725 03	101,336 07	39
Jackson, Mich.....	26,393 02	6,665 90	3,977 26	10,643 16	15,749 86	40
Jersey City, N. J.....	66,798 48	10,942 64	21,478 80	32,421 44	34,377 04	49
Kansas City, Mo.....	167,603 21	24,874 05	16,506 55	41,380 60	126,222 61	25
La Fayette, Ind.....	28,443 44	8,830 43	4,251 30	13,081 73	15,361 71	46
Lancaster, Pa.....	32,347 79	7,186 00	4,930 46	12,116 46	20,231 33	37
Lawrence, Mass.....	39,694 39	8,038 41	7,927 11	15,965 52	14,728 87	42
Leadville, Colo.....	44,723 01	18,322 70	4,285 05	22,617 75	22,105 86	34
Leavenworth, Kans.....	27,861 84	8,292 60	3,693 20	11,986 80	15,875 04	46
Little Rock, Ark.....	32,423 32	10,960 02	4,259 95	15,198 97	17,254 35	43
Louisville, Ky.....	229,662 30	33,846 45	31,667 98	64,534 43	155,748 07	29
Lowell, Mass.....	68,751 63	9,973 84	9,128 39	19,102 43	47,649 20	29
Lynn, Mass.....	42,394 18	7,445 50	8,130 87	15,566 37	26,827 81	37
Macon, Ga.....	36,161 47	8,649 77	3,372 80	12,022 13	14,142 34	36
Manchester, N. H.....	32,729 62	7,158 61	3,667 35	11,296 16	20,094 46	38
Mansfield, Ohio.....	25,952 11	6,998 65	3,368 96	8,517 01	17,435 10	38
Memphis, Tenn.....	77,065 71	20,868 23	14,066 00	34,934 23	42,129 38	32
Merriden, Conn.....	28,618 43	6,918 91	8,490 00	9,418 91	19,200 52	41
Milwaukee, Wis.....	274,449 47	33,073 63	30,148 04	63,221 72	168,067 75	27
Minneapolis, Minn.....	123,907 52	24,234 83	12,331 69	36,563 52	87,343 99	29
Mobile, Ala.....	45,748 47	14,444 50	5,114 10	19,558 78	26,189 69	36
Nashville, Tenn.....	92,253 71	17,867 14	9,610 08	27,407 82	64,755 89	29
Newark, N. J.....	128,990 44	14,944 46	25,284 61	40,229 07	88,761 37	31
New Bedford, Mass.....	34,649 10	6,190 50	7,119 91	13,236 41	21,412 69	39
New Haven, Conn.....	115,649 95	19,889 92	16,492 10	35,882 02	79,767 93	31
New Orleans, La.....	266,284 79	57,019 47	44,834 64	102,744 11	163,540 68	31
New York, N. Y.....	4,200,068 07	874,871 21	457,796 41	1,332,667 62	2,867,398 45	31
Norfolk, Va.....	40,430 75	9,838 21	5,329 00	15,347 21	25,083 54	37
Oakland, Cal.....	31,921 50	11,945 97	7,642 41	19,588 38	14,333 14	38
Omaha, Neb.....	26,158 28	15,954 12	8,937 49	26,891 07	19,267 21	41
Owago, N. Y.....	26,834 25	6,488 94	5,116 17	11,605 11	15,229 14	43
Patterson, N. J.....	32,542 89	6,444 33	7,116 51	13,560 84	18,982 05	42
Peoria, Ill.....	67,237 68	11,110 23	7,170 38	18,289 61	48,948 07	27

No. 9.—Table showing the receipts, expenditures, and net revenue, &c.—Continued.

Office.	Gross revenue.	Office expenses.	Free delivery.	Total expenses.	Net revenue.	Per cent. expense on gross revenue.
Petersburgh, Va.....	\$19,489 03	\$6,096 21	\$4,671 72	\$10,767 93	\$8,721 10	54
Philadelphia, Pa.....	1,477,494 95	237,476 59	293,698 77	531,175 36	946,319 59	36
Pittsburgh, Pa.....	326,582 25	52,368 21	33,967 25	86,335 46	240,226 79	26
Portland, Me.....	98,277 14	22,098 42	8,500 80	30,599 22	67,677 92	31
Portland, Oreg.....	54,670 97	10,701 80	4,508 75	15,210 55	39,460 42	28
Pottsville, Pa.....	15,358 70	5,119 55	3,400 00	8,519 55	6,839 15	55
Poughkeepsie, N. Y.....	39,010 63	10,053 23	5,971 95	16,025 18	22,985 45	39
Providence, R. I.....	182,809 81	25,201 38	26,412 43	51,613 81	131,196 00	28
Quincy, Ill.....	41,439 87	10,379 94	6,732 87	17,112 81	24,327 06	41
Reading, Pa.....	44,800 59	8,746 03	8,491 39	17,237 42	27,563 17	38
Richmond, Ind.....	26,979 29	6,717 64	3,530 94	10,248 58	16,730 71	38
Richmond, Va.....	112,094 68	21,293 10	14,460 08	35,753 18	76,341 50	32
Rochester, N. Y.....	199,764 25	26,017 63	24,385 51	50,403 14	149,361 11	25
Sacramento, Cal.....	43,964 37	16,084 53	4,770 96	20,855 49	23,108 88	47
Saint Joseph, Mo.....	68,916 95	12,484 35	7,610 27	20,094 62	48,822 33	29
Saint Louis, Mo.....	766,592 21	145,212 51	119,647 59	264,860 10	501,732 11	35
Saint Paul, Minn.....	149,830 84	19,357 29	13,953 25	33,310 54	116,520 30	22
Salem, Mass.....	25,456 78	6,465 18	5,239 13	11,704 31	13,752 47	41
San Francisco, Cal.....	509,767 79	98,143 95	61,650 81	159,794 76	349,973 03	31
Savannah, Ga.....	64,004 49	16,032 41	5,900 00	21,932 41	42,072 08	34
Springfield, Ill.....	34,158 80	8,547 49	5,230 05	13,777 54	20,381 26	40
Springfield, Mass.....	75,117 22	12,197 79	6,802 10	18,999 89	56,117 33	25
Springfield, Ohio.....	52,839 66	10,236 75	5,192 75	15,429 50	37,410 16	29
Syracuse, N. Y.....	110,463 33	20,152 63	15,263 58	35,416 21	75,047 12	32
Terre Haute, Ind.....	35,180 43	10,946 99	6,356 15	17,303 14	17,877 29	49
Toledo, Ohio.....	117,702 12	20,237 79	12,955 85	33,193 64	84,508 48	28
Topeka, Kans.....	50,121 34	10,988 68	4,499 88	15,488 56	34,632 78	31
Trenton, N. J.....	51,250 61	8,808 27	5,528 21	14,336 48	36,914 13	28
Troy, N. Y.....	88,358 68	19,447 24	13,973 81	33,421 05	54,937 63	38
Utica, N. Y.....	63,768 58	11,124 90	10,286 26	21,411 25	42,357 33	34
Washington, D. C.....	257,049 67	134,147 57	48,477 99	182,625 56	74,424 11	71
Wheeling, W. Va.....	42,897 54	11,535 03	6,663 43	18,198 46	24,699 08	42
Wilmington, Del.....	47,353 26	9,087 58	8,562 53	17,650 11	29,703 15	37
Worcester, Mass.....	92,187 69	14,225 02	10,948 96	25,173 98	67,013 71	27
Zanesville, Ohio.....	23,841 88	6,605 13	3,469 62	10,074 75	13,767 13	42
Total.....	19,414,772 80	3,815,736 41	2,617,574 56	6,433,310 97	12,981,461 83	.....

No. 10.—Comparative statement of receipts and expenditures of the Post-Office Department from July 1, 1836, to June 30, 1882.

Year.	Receipts.			Expenditures.
	Revenue.	Treasury grants.	Total.	
1837.....	\$4,945,668 21		\$4,945,668 21	\$2,282,510 03
1838.....	4,238,733 46		4,238,733 46	4,430,662 21
1839.....	4,484,656 70		4,484,656 70	4,636,536 31
1840.....	4,342,521 92		4,342,521 92	4,718,235 64
1841.....	4,407,726 27	\$182,657 66	4,590,383 27	4,499,527 61
1842.....	4,546,849 65		4,546,849 65	5,674,751 80
1843.....	4,296,225 43		4,296,225 43	4,374,756 71
1844.....	4,237,287 83		4,237,287 83	4,296,512 70
1845.....	4,289,841 89		4,289,841 89	4,320,731 99
1846.....	3,487,199 35	750,000 00	4,237,199 35	4,676,666 91
1847.....	3,889,309 23	12,500 00	3,901,809 23	3,979,542 10
1848.....	4,555,211 19	125,000 00	4,680,211 19	4,326,850 27
1849.....	4,705,176 28		4,705,176 28	4,479,649 12
1850.....	5,499,984 86		5,499,984 86	5,212,959 43
1851.....	6,410,604 33		6,410,604 33	6,278,491 08
1852.....	5,184,326 84	1,741,444 44	6,925,971 28	7,108,459 04
1853.....	5,240,724 70	2,225,000 00	7,465,724 70	7,682,766 59
1854.....	6,255,580 22	2,736,748 96	8,992,335 18	8,977,424 12
1855.....	6,642,136 13	3,114,542 24	9,756,678 37	9,968,342 29
1856.....	6,929,821 66	3,748,881 56	10,669,703 22	10,466,286 36
1857.....	7,353,951 76	4,528,004 67	11,881,956 43	11,608,057 93
1858.....	7,486,792 86	4,079,270 71	12,166,063 57	12,722,470 01
1859.....	7,968,484 67	3,915,946 49	11,884,430 16	11,458,063 63
1860.....	8,518,067 40	11,154,167 54	19,672,234 94	19,176,669 89
1861.....	8,349,296 40	4,609,896 53	12,959,192 93	13,666,759 11
1862.....	8,299,820 96	2,594,953 71	10,894,774 61	11,125,364 13
1863.....	11,163,789 39	1,697,848 72	12,171,638 31	11,314,206 84
1864.....	12,438,253 78	749,980 00	13,188,233 78	12,644,786 20
1865.....	14,556,158 70	3,968 40	14,560,127 16	15,094,728 28
1866.....	14,436,986 21		14,436,986 21	15,352,679 30
1867.....	15,297,026 87	3,901,660 67	19,288,683 54	19,255,483 46
1868.....	16,292,600 80	5,690,525 00	21,989,125 80	22,500,602 65
1869.....	18,344,510 72	5,707,115 30	24,051,626 02	24,668,164 50
1870.....	19,772,220 65	4,022,140 85	23,794,361 50	23,098,837 63
1871.....	20,037,945 42	4,125,200 00	24,163,145 42	24,000,164 08
1872.....	21,915,426 37	4,933,750 00	26,866,176 37	26,668,192 31
1873.....	22,966,741 57	5,696,475 00	28,667,216 57	28,664,845 67
1874.....	26,471,071 82	5,922,453 55	32,393,565 37	32,196,414 56
1875.....	26,791,360 50	6,704,646 96	33,496,007 55	33,641,369 45
1876.....	28,634,197 56	5,088,583 03	33,722,780 59	33,263,187 58
1877.....	27,531,585 26	7,013,500 00	34,545,085 26	34,489,622 44
1878.....	29,277,516 95	5,397,651 82	34,675,169 77	34,665,684 49
1879.....	30,041,982 66	3,297,965 55	33,339,948 11	33,449,839 45
1880.....	33,315,470 34	3,597,717 20	36,913,186 54	36,542,863 64
1881.....	36,785,897 97	3,297,921 46	40,083,819 43	39,802,366 22
1882.....	41,876,410 15	6,695 12	41,883,005 27	40,482,021 23

No. 11.—Statement of the money-order transactions at post-offices

States and Territories.	Domestic.					
	Number of orders issued.	Balance from last year.	Amount of orders issued.	Fees.	Premium.	Drafts and deposits received from postmasters.
Alabama	140,525	\$29,281 47	\$1,936,118 04	\$17,591 45	\$51 05	\$1,047,812 97
Arizona	20,938	16,021 06	520,435 95	3,377 80		
Arkansas	127,638	35,161 45	2,266,352 71	17,833 85	52 50	1,452,284 34
California	274,333	65,762 10	4,208,786 78	36,229 65		3,293,210 27
Colorado	150,034	64,287 46	2,640,372 23	20,585 90		1,592,197 00
Connecticut	96,716	6,933 02	1,180,974 13	11,606 90		304,781 00
Dakota	51,543	15,604 63	779,772 94	6,689 85		126,738 00
Delaware	14,169	2,286 75	149,784 20	1,645 50		7,290 00
District of Columbia ..	32,432	9,086 51	504,212 83	4,185 95	1 44	1,317,835 95
Florida	62,847	15,099 33	1,060,204 11	8,524 85		185,515 00
Georgia	163,688	33,793 17	2,301,900 66	20,629 00		1,947,724 00
Idaho	21,608	5,319 36	468,666 73	3,221 00		88,099 00
Illinois	728,589	99,923 59	8,809,674 51	88,654 70	240 54	9,542,838 93
Indiana	376,586	33,093 35	4,231,257 03	44,410 35		1,755,043 60
Indian Territory	3,976	320 30	72,474 88	567 85		
Iowa	542,963	57,905 40	5,934,259 16	68,764 60		2,479,173 94
Kansas	353,658	44,046 90	4,531,258 68	43,540 25		1,033,651 43
Kentucky	130,912	17,472 88	1,688,868 96	16,139 65	3 89	1,603,894 00
Louisiana	109,255	61,558 19	2,181,041 29	15,963 80	18 26	3,589,274 16
Maine	89,118	15,147 43	1,300,046 68	11,323 30	33	764,992 00
Maryland	66,582	8,567 43	951,336 74	8,839 70		1,318,951 20
Massachusetts	229,997	23,749 64	3,069,107 97	27,778 60		2,146,155 30
Michigan	415,342	61,445 31	5,255,960 10	50,615 30	03	2,708,525 00
Minnesota	208,794	33,384 57	2,650,211 88	25,539 00		1,858,791 58
Mississippi	174,183	29,706 05	2,457,775 92	22,200 15	25	69,340 00
Missouri	346,133	55,180 31	4,424,345 47	42,517 00	21 65	8,148,181 80
Montana	26,796	17,024 13	515,649 00	4,010 55		212,226 00
Nebraska	171,283	35,636 64	2,167,922 73	21,108 30		1,507,742 00
Nevada	45,561	12,204 82	912,802 99	6,657 95	21 22	765 00
New Hampshire	56,667	5,135 17	670,504 49	6,685 10		113,596 00
New Jersey	85,101	9,756 17	1,159,181 56	10,596 90		358,309 00
New Mexico	16,067	10,994 46	268,375 42	2,151 25		189,861 41
New York	568,397	51,071 92	7,488,215 35	70,299 70	249 41	27,800,767 74
North Carolina	127,149	18,647 94	1,878,884 18	16,497 35		263,193 00
Ohio	568,015	51,084 40	6,401,052 55	67,942 95	45 83	4,442,814 32
Oregon	84,554	21,242 11	1,679,959 49	12,497 50	120 00	1,443,626 00
Pennsylvania	441,196	60,595 73	5,212,354 08	52,947 35		4,335,315 39
Rhode Island	32,417	2,872 26	443,574 52	4,028 30		114,270 00
South Carolina	97,404	14,482 70	1,398,091 81	12,401 40		832,337 00
Tennessee	165,327	28,577 86	2,530,198 63	21,653 80	1 54	1,807,136 28
Texas	383,269	136,536 44	6,646,388 87	53,118 60	04	3,999,302 70
Utah	21,101	12,334 33	378,773 33	2,933 50		565,619 00
Vermont	55,337	6,583 95	613,598 81	6,500 95		135,363 00
Virginia	106,391	18,276 03	1,380,624 41	13,120 45		1,754,821 00
Washington	36,894	8,830 33	724,356 89	5,420 20		23,232 00
West Virginia	46,324	7,163 06	570,200 94	5,709 90		80,750 00
Wisconsin	337,759	53,217 05	4,456,430 26	40,839 75		2,708,683 33
Wyoming	19,301	4,073 38	327,797 31	2,612 25		
Total	8,420,869	1,427,108 59	113,400,118 21	1,053,710 55	828 07	101,163,030 64

in the United States, for the fiscal year ended June 30, 1882.

Transfers from postage funds.	Domestic.			International.					
	Canada.			Great Britain and Ireland.			German Empire.		
	Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.
\$4,988 45	90	\$2,188 77	\$96 40	377	\$7,343 27	\$180 70	351	\$6,740 19	\$116 85
330 00	72	2,869 00	43 86	296	6,382 39	145 15	119	3,669 99	61 60
4,276 17	14	555 20	9 75	172	3,181 86	84 30	241	3,845 12	68 45
35,867 56	1,715	45,400 41	737 20	5,619	95,540 96	2,354 05	4,969	112,897 98	1,867 60
5,955 46	1,642	47,870 30	761 15	9,440	211,476 86	5,216 95	919	20,480 43	342 00
17,833 58	805	16,825 50	287 30	5,692	68,324 75	2,092 29	1,968	29,965 06	548 40
4,997 27	402	9,940 64	165 60	361	7,965 56	198 10	224	4,393 51	73 30
2,437 94	18	356 39	6 25	192	5,845 35	175 90	224	3,567 17	59 70
.....	179	3,172 39	54 09	740	9,349 45	269 00	666	12,797 43	218 55
6,501 78	134	3,725 62	61 15	272	7,045 60	166 50	257	6,684 63	102 45
5,457 00	275	7,346 07	119 50	563	19,541 30	371 65	673	16,406 60	271 25
2,527 00	76	2,862 85	44 95	279	7,966 03	188 00	89	2,196 32	35 25
87,303 85	3,965	79,444 28	1,348 29	16,211	249,584 65	6,822 46	18,546	294,194 41	5,945 25
29,331 45	329	5,314 32	97 30	1,951	25,962 52	772 45	2,398	44,446 56	893 45
36,385 96	456	7,207 16	130 40	1,969	27,495 20	796 45	2,453	46,476 68	725 80
26,686 54	159	3,044 43	58 15	808	12,631 70	353 85	586	19,723 24	193 75
16,362 39	152	2,438 03	44 30	828	13,497 89	366 05	1,016	17,512 62	369 60
1,385 14	229	6,634 10	165 30	618	11,941 77	369 00	881	16,995 03	286 65
17,313 26	1,095	35,439 02	598 55	1,553	21,987 83	632 95	1,574	3,669 90	53 80
7,732 07	184	4,443 67	73 75	1,792	22,783 10	682 00	2,595	35,948 22	693 55
54,486 39	9,893	200,449 84	3,419 75	17,992	228,103 12	6,877 55	3,072	53,435 96	944 30
33,476 41	6,965	143,134 23	2,423 35	7,049	197,118 29	3,019 05	4,299	69,374 64	1,142 85
15,663 28	2,003	52,679 08	847 70	1,441	24,694 43	656 15	1,898	28,230 19	517 15
6,289 79	18	330 50	5 55	88	1,649 36	42 00	71	1,456 29	25 05
47,023 90	652	13,647 30	294 45	3,435	56,405 42	1,396 15	3,821	71,259 69	1,251 39
149 25	390	11,342 81	182 00	1,064	28,697 19	655 30	153	3,759 36	61 35
38,487 12	198	3,946 43	66 70	699	8,769 65	251 75	768	13,712 29	242 60
375 31	407	12,926 30	265 70	861	19,238 84	470 80	295	3,649 73	86 10
9,777 73	465	8,606 32	154 70	1,629	19,522 55	660 80	292	4,242 27	76 90
21,150 00	701	14,456 46	247 60	12,556	145,643 79	4,482 19	5,816	88,861 85	1,627 35
90 00	19	881 19	14 25	36	878 51	22 65	57	1,665 39	27 40
96,929 06	6,362	116,147 50	2,029 89	45,659	591,231 51	17,595 15	32,960	582,672 21	10,516 55
3,161 60	32	874 02	16 20	139	3,129 78	77 60	344	10,616 60	161 70
97,097 91	1,656	28,966 98	523 55	12,284	173,656 03	5,606 79	8,609	128,228 11	2,318 90
2,435 00	351	9,455 81	152 70	692	14,987 36	372 25	678	17,038 46	273 45
59,943 02	2,017	33,366 29	583 19	16,436	310,838 43	9,339 00	5,960	138,892 66	2,518 59
1,516 50	810	13,265 81	269 15	3,977	33,379 39	1,528 25	491	8,766 78	152 35
415 66	43	1,696 68	16 95	234	5,465 21	122 49	362	19,487 35	364 65
13,717 62	134	2,534 20	43 10	656	9,946 43	268 60	812	4,952 75	104 85
23,241 45	200	5,033 87	83 50	1,411	39,648 87	777 19	1,863	36,694 82	625 40
277 00	98	2,717 19	46 70	117	14,655 17	44 30	82	1,312 47	38 40
13,720 00	290	3,364 99	72 95	754	11,654 86	331 70	76	1,344 60	26 85
15,774 84	230	4,327 39	73 60	656	11,874 63	314 65	479	10,736 18	182 45
501 42	243	7,606 36	123 10	184	5,936 75	140 25	179	5,169 29	81 10
5,767 07	17	515 07	8 65	461	6,027 65	157 30	234	3,239 64	62 15
23,272 89	1,468	38,344 25	628 19	1,943	31,217 11	872 65	4,232	67,826 82	1,252 55
.....	97	1,769 31	27 75	414	9,514 62	251 45	80	2,650 35	53 30
995,767 61	48,229	1,018,611 62	17,241 55	182,293	2,740,362 09	78,526 30	116,370	2,057,703 42	36,785 79

No. 11.—Statement of money-order transactions at post-offices in the

States and Territories.	International—Continued.								
	Switzerland.			Italy.			France.		
	Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.
Alabama	14	\$414 50	\$9 60	33	\$942 00	\$15 15	44	\$1,044 64	\$17 25
Arizona	2	95 00	1 50	14	615 00	9 30	33	514 87	9 00
Arkansas	5	83 00	1 90	21	488 26	7 95	2	98 76	1 50
California	696	15,731 41	358 35	617	14,973 31	244 25	477	6,786 12	123 85
Colorado	97	2,850 26	58 15	383	14,289 68	220 95	55	1,711 29	26 85
Connecticut	60	1,080 95	21 45	665	12,770 24	212 35	59	882 26	16 95
Dakota	4			4	200 00	3 00	2	10 60	30
Delaware	14	268 50	7 05	7	83 00	2 20	10	368 13	5 85
District of Columbia	46	794 28	16 60	84	1,392 27	23 85	138	2,736 78	48 60
Florida	7	233 76	4 15	54	1,592 89	25 50	35	880 41	14 10
Georgia	47	1,100 80	23 10	57	1,773 15	28 05	39	723 95	12 75
Idaho	5	218 76	3 45	1	20 00	30	9	155 00	2 40
Illinois	1,889	36,089 40	831 60	3,231	94,935 77	1,490 85	321	5,560 98	100 75
Indiana	96	1,671 73	35 65	70	2,201 94	35 40	50	586 98	11 55
Indian Territory									
Iowa	135	3,247 95	72 05	22	458 48	7 65	39	361 81	8 10
Kansas	28	484 38	10 60	12	186 75	4 30	19	280 08	5 80
Kentucky	95	2,363 44	47 45	86	2,178 29	35 70	83	1,438 59	26 10
Louisiana	99	2,529 38	59 05	1,328	32,812 22	535 05	394	5,560 14	103 20
Maine	3	51 88	1 00	28	483 51	8 40	9	78 85	1 80
Maryland	41	709 48	17 60	265	5,195 43	89 05	91	1,184 57	23 85
Massachusetts	239	4,489 01	103 10	1,212	27,938 71	463 00	449	7,035 81	131 90
Michigan	98	1,385 25	30 70	116	3,260 81	52 95	101	1,593 44	30 00
Minnesota	63	1,403 93	31 00	56	1,536 38	24 90	58	1,147 78	19 95
Mississippi				70	2,820 33	43 20	9	169 45	2 85
Missouri	671	13,775 63	301 60	737	21,601 36	345 60	120	2,118 73	39 60
Montana	5	92 00	1 65	41	1,538 18	24 15	9	345 00	5 40
Nebraska	9	96 00	2 45	19	529 26	8 65	4	60 00	1 20
Nevada	18	249 94	5 45	77	2,577 23	40 65	22	683 00	10 65
New Hampshire	7	176 00	3 35	2	20 00	30	2	41 49	1 20
New Jersey	206	4,287 74	83 75	350	7,956 24	130 65	210	3,931 94	67 75
New Mexico				44	1,515 04	24 65	2	6 40	30
New York	2,826	58,449 93	1,306 20	2,301	53,962 60	877 50	2,234	35,467 32	653 60
North Carolina	1	12 00	50	13	550 00	8 40	3	7 21	45
Ohio	795	14,776 83	335 60	472	12,235 95	199 40	152	2,616 07	47 95
Oregon	65	1,553 73	36 40	33	1,046 92	16 50	26	877 68	14 70
Pennsylvania	859	19,027 83	413 85	838	59,439 36	960 00	304	4,828 89	88 75
Rhode Island	30	354 01	8 20	105	1,551 30	28 05	91	1,932 09	33 85
South Carolina	4	159 26	3 40	34	766 78	13 05	21	391 88	7 20
Tennessee	178	2,973 19	66 45	150	3,002 87	49 80	16	266 64	4 65
Texas	202	4,836 68	94 15	340	10,597 25	168 50	141	2,593 59	45 55
Utah	27	438 55	9 70	5	86 00	1 50	11	261 32	4 35
Vermont				14	175 91	3 00	16	310 03	6 15
Virginia	13	237 88	5 75	134	3,312 29	54 40	43	963 12	16 95
Washington	3	100 74	1 65				7	91 00	1 95
West Virginia	15	408 00	8 35	3	105 00	1 65	12	169 47	3 15
Wisconsin	457	6,517 07	157 95	82	2,443 64	39 00	38	793 94	13 80
Wyoming				3	55 00	90	5	70 00	1 05
Total	10,080	205,820 06	4,591 50	14,233	408,221 60	6,579 60	6,015	99,738 10	1,815 45

United States for the fiscal year ended June 30, 1882—Continued.

International—Continued.												Balance due postmasters.
Jamaica.			New Zealand.			New South Wales.			Victoria.			
Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.	Number of orders issued.	Amount of orders issued.	Fees.	
						1	\$2 92	\$0 15				\$16 62
												95 38
11	\$153 77	\$2 70	22	\$491 54	\$8 25	25	681 24	10 65	24	\$721 87	\$11 55	56 84
2	73 05	1 20	1	1 60	15	8	361 10	5 25	1	15 00	30	219 42
									2	78 33	1 20	19 37
												137 82
												10 83
												4 76
2	38 96	60										43 29
1	23 13	45	5	101 50	2 35	4	200 00	3 00				71 33
			2	38 96	75	3	120 00	1 80				714 04
												456 20
												405 29
												430 63
1	11 99	30										316 24
			1	1 22	15	1	45 94	75	1	5 00	15	19 54
			3	100 00	1 65	1	24 35	45	3	145 71	2 25	71 20
1	9 00	15	1	48 70	1 00	1	48 70	75	4	10 00	15	206 43
												367 49
									3	34 35	60	418 12
2	15 00	30	2	9 89	30							102 77
									1	25 00	45	552 53
												513 67
						1	20 00	30				133 17
1	4 00	25	3	82 70	1 35	1	48 70	75				111 88
20	438 63	8 45	10	242 75	4 20	19	683 70	10 65	9	143 90	2 85	198 61
1	50 00	75	4	43 48	95	1	48 70	75	1	2 10	15	1,006 00
1	10 00	15	2	39 35	75	2	40 34	75	1	19 48	30	115 20
2	89 70	1 35				1	30 00	75				461 73
												32 01
												802 23
												8 00
												127 80
												77 57
												391 33
												2 33
												110 61
												326 45
												184 96
												518 65
45	917 23	16 65	62	1,501 78	27 80	69	2,348 75	36 75	47	1,260 83	19 35	9,990 79

No. 11.—Statement of money-order transactions at post-offices in the

States and Territories.	Domestic.					International.
	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.	Transferred to postage.	Deposits.	Canada.
						Number of orders paid.
Alabama.....	61,409	\$949,175 15	\$13,287 38	\$31 96	\$2,052,473 00	9
Arizona.....	4,330	130,569 08	2,899 13	.....	409,020 00	15
Arkansas.....	54,389	1,050,510 19	21,051 56	116,885 60	2,541,928 90	27
California.....	226,026	4,348,327 88	32,047 90	258 60	3,364,340 77	1,879
Colorado.....	70,817	1,364,690 69	23,682 08	11 86	3,134,834 50	1,160
Connecticut.....	95,523	1,177,739 99	6,008 00	78 00	506,275 00	1,895
Dakota.....	17,169	352,769 72	7,235 40	24 56	556,390 44	196
Delaware.....	7,413	110,359 92	872 82	330 84	57,240 74	21
District of Columbia.....	66,849	765,045 05	4,416 27	.....	1,009,828 08	323
Florida.....	29,647	611,856 57	8,835 37	3,223 00	639,630 00	63
Georgia.....	141,859	2,048,219 04	12,925 76	282 00	2,241,798 00	45
Idaho.....	4,533	139,915 85	3,226 18	33,173 00	385,273 00	5
Illinois.....	1,061,471	11,924,187 81	62,793 25	20,737 89	6,989,953 88	3,730
Indiana.....	252,892	3,424,051 78	25,882 43	1,443 09	2,628,150 27	410
Indian Territory.....	572	12,402 88	257 62	.....	59,408 50	.....
Iowa.....	324,201	4,538,981 47	41,930 45	373 63	3,896,361 52	263
Kansas.....	191,620	3,261,070 97	38,690 62	145 27	2,313,247 00	89
Kentucky.....	149,523	2,374,946 23	10,943 48	259 75	951,372 15	109
Louisiana.....	164,832	2,388,475 82	12,936 99	2,500 00	3,414,023 16	231
Maine.....	124,807	1,516,074 00	5,553 81	.....	592,540 00	2,284
Maryland.....	110,966	1,828,716 10	6,024 48	98 43	490,021 92	299
Massachusetts.....	464,332	4,607,177 55	17,583 87	434 00	997,845 79	7,628
Michigan.....	317,102	4,368,455 57	36,416 17	584 00	3,782,410 00	3,621
Minnesota.....	130,453	1,998,306 78	19,352 72	425 60	2,531,742 00	956
Mississippi.....	57,978	795,941 87	16,556 77	340 08	1,731,041 82	7
Missouri.....	481,064	7,435,384 22	32,891 65	19,587 80	5,232,105 09	483
Montana.....	6,126	143,314 56	3,528 89	.....	619,002 64	80
Nebraska.....	90,507	1,495,926 78	17,756 55	645 22	2,191,869 19	202
Nevada.....	10,065	234,536 50	6,537 83	.....	718,096 00	30
New Hampshire.....	39,806	588,339 55	3,450 33	96 00	230,119 51	248
New Jersey.....	78,836	1,301,196 11	7,106 35	103 01	445,535 00	701
New Mexico.....	4,122	95,767 44	2,088 97	.....	366,414 41	1
New York.....	1,404,675	14,924,817 14	54,122 56	467,260 31	20,739,990 94	16,662
North Carolina.....	53,132	842,544 71	9,457 44	1,462 00	1,310,814 31	7
Ohio.....	670,873	7,718,116 96	42,350 00	60,173 90	3,389,502 89	1,816
Oregon.....	45,978	1,109,093 96	8,497 27	581 00	1,976,028 00	375
Pennsylvania.....	552,519	6,318,653 45	38,152 83	8,634 90	3,677,388 06	2,973
Rhode Island.....	23,110	353,278 43	2,295 19	.....	270,802 00	345
South Carolina.....	43,112	630,694 22	6,611 88	124 50	1,622,772 00	12
Tennessee.....	147,515	2,487,159 19	15,105 58	7,773 58	1,869,664 19	35
Texas.....	206,208	4,220,112 80	49,011 01	2,916 84	6,480,204 04	75
Utah.....	13,532	309,193 92	3,049 70	.....	638,886 70	11
Vermont.....	39,925	569,600 64	3,736 67	117 93	199,611 50	338
Virginia.....	86,989	1,395,571 40	7,548 61	529 85	1,771,153 92	90
Washington.....	12,329	356,665 44	4,703 58	.....	396,778 00	181
West Virginia.....	22,573	348,369 39	3,582 22	68 50	315,889 55	5
Wisconsin.....	233,302	3,525,371 69	27,578 32	488 98	3,098,087 21	587
Wyoming.....	4,487	93,619 38	2,431 07	.....	245,345 05	15
Total.....	8,401,668	112,605,295 84	783,006 06	752,204 88	105,684,110 64	49,537

United States for the fiscal year ended June 30, 1882—(Continued.)

International—Continued.

Canada.		Great Britain and Ireland.			German Empire.			Switzerland.		
Amount of orders paid.	Amount of orders repaid.	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.
\$247 36		47	\$1,326 00		67	\$2,450 00	\$25 00	17	\$432 21	
464 24		7	165 61	\$554 87	6	150 00		2	65 30	
833 21	\$25 00	47	1,228 86		384	14,589 63	30 46	29	979 29	
47,098 62	92 50	690	13,166 91	295 48	894	27,414 67	479 38	62	1,780 51	
9,183 94	215 00	190	4,549 38	68 49	181	6,972 52	136 30	125	1,746 17	\$5 00
17,678 54	30 00	417	7,691 29	76 60	206	8,474 76	232 64	15	366 00	
7,849 68	105 00	45	1,278 57	20 00	285	10,851 19	14 00	14	409 97	
274 59		57	426 74	14 61	30	757 69	35 00	3	138 00	
5,191 96	20 00	214	3,332 24	14 62	149	3,115 40	9 94	24	364 25	
1,495 58		53	1,295 45		42	1,133 84	35 00	7	266 79	
908 46		52	1,300 38	135 00	48	1,703 60	162 00	10	399 15	
174 79		11	217 32		19	709 26	60 00	13	429 35	
50,132 95	199 85	1,682	30,762 19	276 22	4,193	13,661 71	1,416 57	374	10,454 85	54 15
6,239 19	65 00	260	5,049 54	118 17	644	24,411 38	308 26	75	2,662 12	
6,475 22	32 50	370	8,226 49	29 22	1,437	51,464 73	412 95	135	3,482 89	
2,609 88	55 00	263	5,996 67		551	19,684 13	184 19	112	3,761 98	
2,003 85		88	1,841 73	5 00	277	8,644 97	55 25	62	1,893 15	
2,529 58	25 00	163	2,430 74	15 00	371	11,255 19	42 00	68	2,449 67	
30,822 74	125 00	143	3,073 36	5 00	21	795 13				
5,339 26	1 00	289	4,410 38	260 63	379	13,944 34	122 95	50	1,396 77	
121,694 89	701 44	2,683	32,148 34	463 82	452	11,291 45	112 30	43	734 76	
86,297 29	496 35	661	13,158 27	515 05	1,468	46,433 68	565 46	164	4,882 35	41 00
26,943 60	257 60	253	4,753 60	10 00	1,477	56,944 83	277 95	244	8,877 63	
65 85		23	429 72	10 00	62	2,360 54	25 00	12	560 08	
11,241 69	23 00	476	8,442 41	97 47	1,704	53,068 46	332 60	224	5,681 71	
3,618 75	50 00	29	607 18	26 21	27	893 14	35 00	6	288 26	
6,960 99		265	4,472 16		796	28,755 22	135 58	239	8,283 38	
1,631 75		11	356 28	20 00	13	513 87				
4,882 42		81	1,733 95	88 07	12	307 16		1	5 79	
12,374 00	66 50	1,673	18,734 14	428 29	1,283	33,680 36	425 75	76	2,397 49	40 00
10 00		8	71 96		19	569 88				
196,552 16	817 96	9,583	119,131 71	1,611 97	9,276	223,693 54	2,499 22	898	33,167 54	234 10
229 49		32	674 98	32 43	28	697 02	14 70	10	250 34	
27,729 74	112 28	1,159	22,485 39	136 32	1,892	58,797 78	411 59	266	6,183 74	79 50
10,446 48	30 00	85	1,687 93		82	2,995 89		17	714 95	
36,931 73	456 66	2,904	48,422 21	844 23	2,389	62,374 82	843 22	260	6,097 73	14 75
7,086 69	77 00	300	5,798 75	84 22	36	890 39		5	42 52	
263 90		46	605 36		52	1,628 41		1	2 51	
662 32		93	2,661 12	20 00	95	2,671 70	5 00	47	1,678 41	
2,478 57	5 00	236	8,691 86	52 99	959	25,537 17	187 60	69	1,991 13	
232 50	2 00	101	2,026 85	38 09	73	1,167 96		8	212 74	
7,455 70		31	671 69	9 75	11	211 39		1	13 76	
1,940 87		197	4,319 01	1 00	72	1,674 37	75 00	10	362 46	20 00
5,141 50		21	824 15		34	1,745 38	18 00	2	142 36	
1,87 49		34	1,053 28	5 00	54	1,393 63	60 00	27	874 08	
11,180 06	210 00	265	6,462 83	61 41	2,202	75,899 30	713 25	244	8,439 81	350 75
502 72		12	461 68	122 21	7	276 30				
785,326 01	4,296 73	24,940	407,766 93	5,479 56	34,974	1,047,340 77	10,461 13	3,979	116,292 65	800 25

No. 11.—Statement of money-order transactions at post offices in the

States and Territories.	International—Continued.								
	Italy.			France.			Jamaica.		
	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.	Number of orders paid.	Amount of orders paid.	Amount of orders repaid.
Alabama	1	\$11 45	.....	9	\$301 10	.....	.....	.....	.....
Arizona .....	.....	.....	.....	2	51 46	.....	.....	.....	.....
Arkansas	3	114 48	.....	12	337 46	.....	.....	.....	.....
California	30	1,024 51	\$25 00	150	4,646 79	\$65 00	.....	.....	.....
Colorado .....	.....	.....	60 00	61	966 46	.....	.....	.....	.....
Connecticut	16	695 08	54 00	40	674 63	72	1	\$1 91	.....
Dakota .....	.....	.....	.....	1	19 04	.....	.....	.....	.....
Delaware .....	.....	.....	.....	13	539 22	.....	.....	.....	.....
District of Columbia	26	663 35	5 00	52	1,026 29	.....	1	1 22	.....
Florida	1	47 70	.....	11	322 03	.....	6	151 32	.....
Georgia	1	19 08	.....	5	164 99	20 00	.....	.....	.....
Idaho .....	.....	.....	.....	.....	.....	30 00	.....	.....	.....
Illinois	34	1,073 05	82 00	110	2,853 07	50	8	95 09	.....
Indiana	3	30 52	.....	15	270 63	10 00	.....	.....	.....
Indian Territory .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Iowa	5	62 77	.....	30	937 67	5 40	2	58 44	.....
Kansas	6	239 46	.....	30	1,538 52	.....	.....	.....	.....
Kentucky	2	114 48	.....	18	315 74	.....	.....	.....	.....
Louisiana	48	1,731 60	96 00	236	6,826 08	4 29	4	58 58	.....
Maine	1	7 63	.....	11	298 28	.....	2	27 35	.....
Maryland	54	1,280 00	5 00	33	673 32	.....	6	192 20	.....
Massachusetts	42	1,126 45	20 98	106	1,505 36	145 48	12	302 50	.....
Michigan	6	255 29	.....	39	1,226 07	88 88	4	34 60	.....
Minnesota	3	97 80	.....	7	200 69	.....	.....	.....	.....
Mississippi	2	56 29	.....	4	40 59	.....	.....	.....	.....
Missouri	12	399 82	.....	83	2,626 51	.....	1	24 35	.....
Montana .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nebraska	4	190 80	.....	14	600 54	.....	.....	.....	.....
Nevada	8	301 58	.....	3	142 85	20 00	.....	.....	.....
New Hampshire .....	.....	.....	.....	2	88 09	7 54	.....	.....	.....
New Jersey	10	350 30	.....	58	1,236 00	1 98	4	102 27	.....
New Mexico .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
New York	291	5,471 32	146 00	1,196	18,616 38	278 93	216	6,786 55	.....
North Carolina .....	.....	.....	.....	1	38 09	.....	.....	.....	.....
Ohio	16	484 15	50 00	57	1,064 71	5 00	5	29 54	.....
Oregon .....	.....	.....	.....	7	138 97	.....	.....	.....	.....
Pennsylvania	60	1,089 74	132 00	158	3,607 69	40 00	22	403 60	.....
Rhode Island	6	142 01	.....	10	236 13	.....	.....	.....	.....
South Carolina .....	.....	.....	.....	2	100 00	1 38	.....	.....	.....
Tennessee	5	162 18	10 00	7	83 17	.....	.....	.....	.....
Texas	26	1,123 35	.....	34	873 89	.....	.....	.....	.....
Utah	10	477 00	.....	.....	.....	.....	.....	.....	.....
Vermont .....	.....	.....	.....	2	39 23	.....	1	4 87	.....
Virginia	17	654 15	30 00	24	548 99	20 00	1	4 87	.....
Washington .....	.....	.....	.....	9	328 07	.....	.....	.....	.....
West Virginia .....	.....	.....	.....	5	23 03	.....	.....	.....	.....
Wisconsin	8	119 48	.....	40	1,225 03	.....	1	4 87	.....
Wyoming .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	738	19,616 87	715 98	2,728	57,352 79	745 10	297	8,284 13	.....

United States during the fiscal year ended June 30, 1882—Continued.

International—Continued.								Total.			
New Zealand.		New South Wales.			Victoria.			Expenses.	Commissions and clerk-hire.	Balance due the United States.	Miscellaneous items.
Number of orders paid.	Amount of orders paid.	Number of orders repaid.	Number of orders paid.	Amount of orders repaid.	Number of orders paid.	Amount of orders repaid.	Amount of orders repaid.				
								\$220 65	\$8 056 46	\$25,961 12	\$224 96
								23 00	1,490 56	5,888 10	
14	\$1,793 22	19	8,599 46		35	36,444 80		1,005 95	5,888 84	28,889 65	402 28
8	150 35	1	1 28		2	20 22		3 60	9,587 71	65,700 16	119 58
								44 15	7,444 88	56,252 28	98 11
1	14							47 68	3,271 38	15,910 29	280 97
								19 75	866 59	15,737 71	11 31
								50,426 29	5,441 18	1,414 84	2 99
								100 97	4,430 86	8,169 84	
25	517 59	10	256 87		6	161 80		495 73	11,534 09	28,211 53	14 11
2	31 16		14 61					581 25	1,460 40	14,234 52	64 43
								2,688 92	66,484 48	96,388 13	95 17
								499 39	23,208 78	96,388 13	586 61
									729 28	554 00	212 31
								817 27	32,964 00	68,848 29	119 76
2	34 09							604 69	22,675 10	36,919 41	1,411 57
1	4 87							2,438 76	11,452 99	16,891 65	198 24
								2,277 08	8,871 35	70,511 31	167 66
1	24 35	1	24 35		1	1 52		103 98	8,360 68	13,487 68	12 24
3	76 09							65	7,850 84	7,155 50	55 71
78	3,103 38	10	274 64		12	108 02		245 35	26,049 29	31,954 85	99 11
		1	19 48		1	4 26		143 26	29,698 58	63,007 82	420 74
2	97 40							168 26	15,991 48	18,386 18	323 30
		1	29 13					65 46	9,410 05	35,501 76	96 96
3	82 38	2	48 79					2,967 84	30,728 17	61,888 82	80 07
								45 65	1,856 85	20,631 15	789 05
								16 75	11,194 31	31,825 11	
					1	24 35		8 88	2,914 11	10,182 68	113 36
								24 42	3,796 06	6 48	267 09
14	351 32				2	58 44		18 80	7,528 10	8,983 47	319 62
									987 34	18,386 18	
218	2,178 08	36	67 27		56	1,181 04		38,243 38	96,687 36	77,773 17	682 93
								10,088 69	7,648 17	18,386 18	369 32
7	88 24				1	24 35		226 20	41,982 45	5,233 12	635 38
		3	126 50					50 86	6,789 85	9,430 11	30 44
35	464 36	6	62 68		5	63 79		469 30	37,188 48	59,386 11	896 45
1	48 70				1	48 70		369 25	1,989 48	4,394 77	11 89
								14 85	3,644 94	18,710 84	196 30
2	14 61							346 11	12,946 88	28,183 88	226 16
								10 69	3,412 41	117,186 67	293 66
4	48 69				2	48 70		37 80	4,531 98	6,600 14	17 78
1	17 61							114 17	8,222 39	21,644 84	342 61
1	14 61	2	73 05					19 69	2,747 00	12,433 59	448 42
								2 99	2,807 65	6,241 81	21 16
3	37 35				1	48 70		190 10	25,285 69	49,889 38	417 15
1	24 35							28 49	1,141 28	4,134 52	
427	9,262 37	93	2,077 65		123	2,686 72		122,571 24	314,769 62	1,241,849 31	10,428 65

No. 12.—Statement showing the receipts and disbursements at the money-order offices of the United States during the fiscal year ended June 30, 1882.

RECEIPTS.

Balance in the hands of postmasters June 30, 1881	\$1,427,108 59
Balance in the hands of the Assistant United States Treasurer at New York, N. Y., June 30, 1881	2,321,740 83
Amount deposited with the Assistant United States Treasurer at New York, N. Y.	2,054,745 53
Amount received for domestic money-orders issued ...	\$113,400,118 21
Amount received for Canadian international money-orders issued	1,018,641 62
Amount received for British international money-orders issued	2,740,362 09
Amount received for German international money-orders issued	2,057,705 42
Amount received for Swiss international money-orders issued	205,820 06
Amount received for Italian international money-orders issued	408,221 60
Amount received for French international money-orders issued	99,738 10
Amount received for Jamaica international money-orders issued	917 23
Amount received for New Zealand international money-orders issued	1,561 78
Amount received for New South Wales international money-orders issued	2,345 75
Amount received for Victoria international money-orders issued	1,200 83
Total issued	119,936,632 69
Amount received for fees on domestic money-orders issued	1,053,710 55
Amount received for fees on Canadian international money orders issued	17,244 55
Amount received for fees on British international money-orders issued	78,526 30
Amount received for fees on German international money-orders issued	36,785 70
Amount received for fees on Swiss international money-orders issued	4,591 50
Amount received for fees on Italian international money-orders issued	6,579 60
Amount received for fees on French international money-orders issued	1,815 45
Amount received for fees on Jamaica international money-orders issued	16 65
Amount received for fees on New Zealand international money-orders issued	27 80
Amount received for fees on New South Wales international money-orders issued	36 75
Amount received for fees on Victoria international money-orders issued	19 95
Total fees	1,199,354 80
Amount received for premiums, &c	828 07
Amount received for deposits	90,339,829 68
Amount received for drafts	10,823,200 96
Amount transferred from postage fund	905,797 61
Amount overpaid by postmasters	9,990 70
Total receipts	229,019,139 46

DISBURSEMENTS.

Amount of domestic money-orders paid	\$112,605,295 84
Amount of Canadian international money-orders paid	785,326 01
Amount of British international money-orders paid	407,766 93
Amount of German international money-orders paid	1,047,940 77

Amount of Swiss international money-orders paid...	\$113,292 05
Amount of Italian international money-orders paid..	19,616 87
Amount of French international money-orders paid..	57,352 79
Amount of Jamaica international money-orders paid..	8,254 13
Amount of New Zealand international money-orders paid.....	9,202 47
Amount of New South Wales international money-orders paid.....	2,077 05
Amount of Victoria international money-orders paid.....	2,603 72

Total paid..... 115,053,758 63

Amount of domestic money-orders repaid. \$783,006 06	
Amount of Canadian international money-orders repaid.....	4,296 73
Amount of British international money-orders repaid.....	5,479 96
Amount of German international money-orders repaid.....	10,421 15
Amount of Swiss international money-orders repaid.....	859 25
Amount of Italian international money-orders repaid.....	715 98
Amount of French international money-orders repaid.....	745 10
Amount of Jamaica international money-orders repaid.....	
Amount of New Zealand international money-orders repaid.....	
Amount of New South Wales international money-orders repaid.....	
Amount of Victoria international money-orders repaid.....	

Total repaid..... 805,524 23

Amount transferred to postage fund.....	752,204 88
Amount deposited at first-class offices.....	105,684,110 64
Amount paid for incidental expenses.....	125,371 24
Amount paid for commissions and clerk-hire.....	694,709 62
Miscellaneous items.....	10,424 65
Amount of drafts drawn on and paid by the Assistant United States Treasurer at New York, N. Y.....	1,753,430 95
Balance in the hands of the Assistant United States Treasurer at New York, N. Y., June 30, 1882.....	2,623,055 41
Balance in the hands of postmasters June 30, 1882...	1,511,549 21

Total disbursements.....\$229,019,139 46

No. 13.—Statement showing the revenue which accrued on domestic money-order transactions for the fiscal year ended June 30, 1882.

Amount received for fees on issued orders.....	\$1,053,710 55
Amount received for premiums, &c.....	828 07
	1,054,538 62
Amount allowed postmasters for commissions and clerk-hire.....	8652,330 06
Lost remittances.....	1,105 00
Bad debts.....	33,683 52
Incidental expenses.....	87,600 87
Net revenue.....	280,341 17
	1,054,538 62

No. 14.—*Statement showing the revenue which accrued on international money-order transactions for the fiscal year ended June 30, 1881.*

CANADIAN.

Amount received for fees on issued orders		\$14,058 65
Amount allowed postmasters:		
For commissions and clerk-hire	\$5,153 47	
For incidental expenses	101 70	
Excess of commissions paid Canada	1,027 17	
Net revenue	7,776 31	
		<u>14,058 65</u>

BRITISH.

Amount received for fees on issued orders		\$58,225 10
Gain in exchange		10,866 93
		<u>69,122 03</u>

Amount allowed postmasters:		
For commissions and clerk-hire	\$14,949 14	
For incidental expenses	140 84	
Excess of commissions paid Great Britain	12,365 26	
Net revenue	41,666 79	
		<u>69,122 03</u>

GERMAN.

Amount received for fees on issued orders		\$24,904 60
Gain in exchange		12,250 44
		<u>37,155 04</u>

Amount allowed postmasters:		
For commissions and clerk-hire	\$14,174 64	
For incidental expenses	179 43	
Excess of commissions paid Germany	3,892 87	
Net revenue	18,908 10	
		<u>37,155 04</u>

SWISS.

Amount received for fees on issued orders		\$4,106 90
Gain in exchange		337 34
		<u>4,444 24</u>

Amount allowed postmasters:		
For commissions and clerk-hire	\$1,646 70	
For incidental expenses	16 57	
Excess of commissions paid Switzerland	338 64	
Net revenue	2,442 33	
		<u>4,444 24</u>

ITALIAN.

Amount received for fees on issued orders		\$4,497 94
Gain in exchange		6,875 57
		<u>11,373 47</u>

Amount allowed postmasters:		
For commissions and clerk-hire	\$1,098 70	
For incidental expenses	19 42	
Excess of commissions paid Italy	1,786 10	
Net revenue	8,469 25	
		<u>11,373 47</u>

FRENCH.

Amount received for fees on issued orders		\$1,333 30
Gain in exchange		914 27
		<u>2,247 57</u>

Amount allowed postmasters:		
For commissions and clerk-hire	\$847 64	
For incidental expenses	11 46	
Excess of commissions paid France	225 07	
Net revenue	1,163 40	
		<u>2,247 57</u>

No. 15.—Statement showing the transfers to and from the money-order account during the fiscal year ended June 30, 1882.

Amount transferred from postage to money-order account.....	\$905,707 61
Amount transferred from money-order to postage account.....	\$752,204 88
Less balance due postage account from June 30, 1881 (transferred September 23, 1881).....	464,505 07
	<u>287,699 81</u>
Balance due postage account June 30, 1882 (transferred September 27, 1882).....	618,007 80
	<u>905,707 61</u>

No. 16.—Statement of assets and liabilities June 30, 1882.

ASSETS.

Balance in the hands of Assistant Treasurer at New York June 30, 1882.....	\$2,623,055 41
Balance in the hands of postmasters June 30, 1882.....	1,511,549 21
	<u>4,134,604 62</u>

LIABILITIES.

Revenue on domestic money-order account.....	\$230,341 17
Revenue on international money-order account.....	80,426 18
Amount due postage account.....	618,007 80
Unpaid domestic and international money-orders and balances of unadjusted international accounts.....	3,155,829 47
	<u>4,134,604 62</u>

No. 17.—Weight of letters, newspapers, &c., sent from the United States to European countries during the fiscal year ended June 30, 1882.

Steamship lines.	Great Britain.		Germany.		France.	
	Letters.	Papers, &c.	Letters.	Papers, &c.	Letters.	Papers, &c.
	Grams.	Grams.	Grams.	Grams.	Grams.	Grams.
Cunard.....	15,699,894	68,367,308	3,389,974	13,681,611	672,656	1,257,237
White Star.....	23,296,418	92,723,382	2,115,323	8,318,192	2,447,477	10,278,933
Liverpool and Great Western Steam Company.....	20,615,780	89,807,477	11,155,924	36,467,152	2,395,046	13,573,135
Hamburg-American Line and Company.....	3,145,491	15,893,834	9,349,730	32,987,050	1,336,381	8,079,583
North German Lloyd of Bremen.....	1,452,228	15,326,896	16,311,319	63,776,844	679,761	1,868,881
Inman.....	17,740,399	65,384,319	1,375,082	2,419,380	1,600,364	7,376,493
Anchor.....	2,318,387	12,972,174	169,083	472,881	80,388	716,183
Canadian.....	198,923	2,088,831				
American Steamship Company.....						
Red Star.....	364,407	1,607,244				
French.....					1,859,678	8,890,517
Netherlands Steam Navigation Company.....						
Total.....	82,117,747	365,129,880	45,771,352	150,738,599	11,108,601	52,234,902
Increase compared with last fiscal year.....	9,457,981	39,887,011	6,771,117	21,281,690	986,364	3,901,318

No. 17.—*Weight of letters, newspapers, &c.*—Continued.

Steamship lines.	Italy.		Belgium.		Denmark.	
	Letters.	Papers, &c.	Letters.	Papers, &c.	Letters.	Papers, &c.
	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>
Cunard	955,390	3,859,887	226,884	820,832	239,280	321,342
White Star	1,212,197	7,197,311	364,516	1,585,494	3,790	4,080
Liverpool and Great Western Steam Company	1,435,462	5,778,294	284,182	1,304,562	678,795	1,232,838
Hamburg-American Packet Company	212,201	1,101,686	44,722	263,075	486,955	902,103
North German Lloyd of Bremen	286,460	1,412,096	72,610	302,901	1,004,110	1,347,169
Inman	921,118	5,186,591	242,478	1,142,889	13,050	28,070
Anchor	62,520	351,040	11,005	92,573	34,840	89,440
Canadian American Steamship Company						
Red Star			7,100	13,152		
French						
Netherlands Steam Navigation Company						
Total	5,085,848	24,976,905	1,253,497	5,525,498	2,459,920	3,925,033
Increase compared with last fiscal year	1,315,338	3,444,085	95,766	417,347	685,490	339,533

Steamship lines.	Netherlands.		Switzerland.		Spain.	
	Letters.	Papers, &c.	Letters.	Papers, &c.	Letters.	Papers, &c.
	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>
Cunard	462,336	894,974	553,604	1,897,452	214,258	1,149,497
White Star	698,408	2,276,759	881,166	4,067,892	318,819	2,389,060
Liverpool and Great Western Steam Company	543,724	1,513,403	818,055	4,326,907	262,592	1,806,182
Hamburg-American Packet Company	96,370	320,713	133,209	759,256	50,508	374,316
North German Lloyd of Bremen	141,695	391,898	161,995	715,538	55,530	361,010
Inman	428,573	1,586,890	572,475	2,937,923	220,852	1,641,960
Anchor	22,300	92,840	36,900	186,840	9,000	97,000
Canadian American Steamship Company						
Red Star						
French						
Netherlands Steam Navigation Company	2,030					
Total	2,395,436	7,077,477	3,157,404	14,891,808	1,131,559	7,819,045
Increase compared with last fiscal year	317,096	1,243,657	417,864	2,648,428	74,019	1,089,505

No. 17.—*Weight of letters, newspapers, &c.—Continued.*

Steamship lines.	Portugal.		Sweden.		Norway.	
	Letters.	Papers, &c.	Letters.	Papers, &c.	Letters.	Papers, &c.
	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>
Cunard	21,775	15,580	1,018,890	1,301,844	461,415	654,872
White Star	33,094	71,529	22,620	14,940	119,009	117,500
Liverpool and Great Western Steam Company	47,766	39,276	2,940,135	0,725,024	1,573,040	2,911,500
Hamburg-American Packet Company	7,200	11,420	2,371,210	3,490,680	1,135,700	1,816,401
North German Lloyd of Bremen	5,798	5,895	3,852,330	8,057,563	2,082,075	3,219,930
Inman	22,970	52,405	60,970	180,740	87,850	169,000
Anchor	300	420	185,900	574,040	38,470	52,000
Canadian						
American Steamship Company						
Red Star						
French						
Netherlands Steam Navigation Company						
Total	138,933	196,465	10,452,055	20,345,031	5,497,640	8,991,206
Increase compared with last fiscal year			3,072,805	9,163,071	1,545,250	3,671,706

Steamship lines.	Austria.		Turkey.	
	Letters.	Papers, &c.	Letters.	Papers, &c.
	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>
Cunard	286,860	641,782	58,770	768,970
White Star	63,835	98,904	77,005	1,169,414
Liverpool and Great Western Steam Company	616,275	1,672,497	73,000	889,500
Hamburg-American Packet Company	437,710	1,159,940	14,785	238,474
North German Lloyd of Bremen	800,629	2,586,907	16,450	227,740
Inman	54,490	122,454	82,900	819,800
Anchor	41,000	187,440	5,180	63,220
Canadian				
American Steamship Company				
Red Star				
French				
Netherlands Steam Navigation Company				
Total	2,330,799	6,499,955	295,280	4,124,294
Increase compared with last fiscal year			250,800	3,405,014

RECAPITULATION.

Countries.	Letters.	Papers, &c.
	<i>Grams.</i>	<i>Grams.</i>
Great Britain	80,115,747	202,200,886
Germany	46,076,141	136,728,300
France	11,108,601	32,234,002
Italy	5,085,348	24,000,000
Belgium	1,000,000	5,000,000
Denmark	2,450,920	1,000,000
Netherlands	2,000,000	7,000,000
Switzerland	1,000,000	10,000,000
Spain	1,000,000	5,000,000
Portugal	1,000,000	100,000
Sweden	10,452,055	20,345,031
Norway	5,497,640	8,991,206
Austria	2,330,799	6,499,955
Turkey	295,280	4,124,294
Total	171,450,000	670,000,000
Increase compared with last fiscal year	25,000,000	118,484,741

No. 18.—*Weight of letters, newspapers, &c., sent from the United States to countries and colonies (other than European) of the Universal Postal Union during the fiscal year ended June 30, 1882.*

Countries.	Letters.	Newspapers, &c.
	<i>Grams.</i>	<i>Grams.</i>
Cuba and Porto Rico	4,773,161	27,290,796
Mexico	2,698,199	27,177,273
United States of Colombia	1,138,280	10,865,319
Japan	1,006,935	12,452,520
Hong-Kong	746,485	3,095,860
Brazil	744,443	6,578,818
Sandwich Islands	588,655	6,608,390
Shanghai	507,725	4,740,150
Jamaica	428,525	3,293,360
Bermuda	400,690	2,817,600
Chili	311,340	4,595,375
Peru	308,590	5,406,303
Newfoundland	303,266	3,032,636
Haiti	302,960	3,375,500
St. Thomas	271,506	3,161,050
Venezuela	258,330	1,702,900
Honduras	196,900	1,724,393
Curacao	178,170	734,034
Trinidad	154,460	1,051,070
Salvador	154,430	1,458,469
Bahamas	154,192	1,434,947
Ecuador	154,045	1,247,550
Guatemala	149,125	2,292,445
Argentine Republic	129,326	1,517,288
Saint Domingo	86,480	1,071,260
Uruguay	61,278	466,352
Windward Islands	59,680	604,180
Manila	42,255	108,670
Turk's Island	34,965	327,900
St. Pierre and Miquelon	31,010	294,725
Nicaragua	14,965	174,930
Martinique and Guadeloupe	17,870	119,734
Singapore	9,910	104,250
Java	5,830	21,450
New Caledonia	4,215	68,670
Saigon	1,695	7,170
Paraguay	365	2,620
Total	16,430,256	141,032,957
Increase compared with last fiscal year	4,660,080	53,402,387

No. 19.—*Number of letters exchanged between the United States and non-postal union countries during the fiscal year ended June 30, 1882.*

Countries.	Received.	Sent.
	<i>Letters.</i>	<i>Letters.</i>
Shanghai, China	21,397	48,150
Panama, Central America, &c	40,744	23,216
New Zealand, Australia, &c	9,718	.....
Guatemala	1,804	.....
British Columbia .....	.....	17,271
Nova Scotia .....	.....	6,532
Total	73,663	95,169
Decrease compared with last fiscal year	147,388	338,996

All of which is respectfully submitted.

J. H. ELA,
Auditor.

Hon. T. O. HOWE,
Postmaster-General.

REPORT OF THE COMMISSIONER OF AGRICULTURE.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., November 20, 1882.

To the President:

I respectfully submit the annual report of the Department of Agriculture for the year 1882.

During the past season the work of the department has been vigorously prosecuted on the line laid down in my communication of November 25, 1881. I have made personal investigation of the condition of farming in most of the great agricultural States of the Union, and have been deeply impressed by the energy and skill with which the industry is conducted and the manifest success which attends it, as evinced by the prosperous appearance of the lands and homesteads of the people. I have visited as many of the agricultural colleges as possible, and have endeavored to impress upon these institutions the desire of the department to co-operate with them in their efforts to diffuse sound practical information throughout the country for the benefit of those who are engaged in conducting our great industrial enterprises and developing the enormous wealth of our resources. And whenever an object of importance connected with the industry which this department represents has presented itself, I have employed competent investigators to explore and report. The liberally increased appropriations made at the last session of Congress for the benefit of the department have been used in such a manner as seemed most promotive of the objects which that body had in view, and the expenditures have been confined strictly to the divisions and work for which the appropriations were specifically made. Provision has been made for the care and protection of the valuable collections of minerals, ores, woods, and agricultural products presented to the department by the exhibitors at the Atlanta Exposition of 1881, and in a temporary and convenient building on the grounds of the department these collections have been admirably arranged for easy access by those who desire to witness the producing capacity of those sections of our country which have furnished the exhibits.

A new building is nearly completed for the storing and distributing of the large amount of seed now provided by Congress.

The success which attended the conventions held at the department in January, 1882, has induced me to call others in January, 1883, to which representatives of the agricultural colleges and societies have been called together for the purpose of discussing the most important points relating to agricultural education, the animal industry of the United States, and the cotton industry.

I have received through the State Department a communication from Hamburg, requesting this country to unite with the great agricultural nations of Europe in an exhibition of domestic animals, and the various methods of feeding and plans for shelter, in July, 1883, which I trust will receive the consideration of Congress.

DIVISION OF GARDENS AND GROUNDS.

The number of plants distributed since my last report amounts to about 70,000. The seeming falling off in numbers from those of recent years is due to the reduction of the number of tea plants, that distribution being partly met with plants from the tea nursery in South Carolina. Compared with the amount of appropriation available for this particular work, the number of plants propagated is large; and as they are mainly packed so as to be sent through the mail, a considerable amount of labor is required. About 4,500 packages, averaging 15 plants to each package, necessarily involves much manipulation in their preparation for the post-office.

Attention is again directed to the necessity of establishing branches of this division in semi-tropical climates for the more extensive propagation of semi-tropical plants. The demands of the country for plants of this character for the purposes of experimentation are constant and persistent, and as the department is at present situated in regard to facilities and encouragement in the propagation of such plants, but little of essential value can be done.

The distribution of economic plants is prosecuted to as great an extent as the capabilities and appropriations for this particular purpose will admit. Efforts towards the introduction of the tea plant are vigorously maintained. The tea plantation instituted in the spring of 1881 is progressing favorably. Several acres have been planted and the plants are making a satisfactory growth, so that in the course of a few years they will be in good condition to fairly test the question of profitable manufacture, which is, in fact, the only point now awaiting consummation, the question of the adaptability of climate to the mere growth of the plant having long been favorably determined.

BOTANICAL DIVISION.

The work of the botanical division has been steadily pursued throughout the year. Good progress has been made in preparing and mounting specimens and incorporating them in their proper places in the herb-

arium, thereby rendering available for study and consultation a large number of new specimens.

The collection has been largely increased during the past year by the purchase of plants from Florida, Arizona, New Mexico, Texas, and the Pacific slope, and a few from other points. Several packages of Arctic plants have been received through the Smithsonian Institution, and numerous small packages from various persons, part as donations, part as exchanges.

Packages of plants have been sent out to individuals as exchanges, also to persons making a special study of some order of plants, and to institutions of learning. The work of describing and illustrating our native grasses for the annual report has been continued, preference having been given to those species concerning which special inquiries have been made during the year by agriculturists and stock-raisers.

Circulars making inquiries concerning the various species of grass relied upon for hay and grazing were sent to the Southern States, to the Pacific slope, and to the Territories. Much valuable information was obtained, a digest of which is given in the annual report.

MICROSCOPICAL DIVISION.

During the past year the work of the division has been of the usual varied character. Many microscopical examinations have been made of breadstuffs, milk, butter, cheese, sugar, glucose, oleomargarine, food oils, lard, vegetable fats, &c., and in some instances new methods discovered for the detection of artificial impurities in them.

Investigations have been instituted to discover, if possible, the primary cause of what is known as pear-tree blight, so destructive to the interest of orchardists in the Northwest, where sometimes a thousand valuable pear trees are destroyed by this disease in a single orchard in a season. A large collection of microscopic sections have been made and mounted to illustrate the distinctive peculiarities of different species of oaks. These investigations have a special commercial and botanical value.

The microscopist has also made investigation for several divisions of the department, and in some instances for the general government. Correspondence has also been kept up with eminent European microscopists as well as those of the United States, and specimens having relation to the work of this division exchanged.

CHEMICAL DIVISION.

The work of the chemical division has been devoted largely to investigating the sugar-producing qualities of sorghum, beets, and other plants, as provided for by Congress. The analyses of last year have been repeated, and many varieties of sorghum raised on the grounds of the department have been subjected to careful laboratory examination.

The laboratory work of 1882 will be necessarily extended beyond the time fixed for the issue of the forthcoming volume, and must therefore be retained for a future publication. Thirty-five new varieties of sorghum from Natal, India, and China have been subjected to daily examination, and I am informed by the chemist of the department that preparation is made for analyses of nineteen varieties of bagasse, four varieties of leaves, twelve varieties of juices, twenty-five varieties of sirups from sorghum, together with three hundred and fifteen vegetables, fifty specimens of wheat, and twenty-five of soils, during the immediate future.

Fifty-four miscellaneous analyses, including minerals, spring and well waters, peats, soils, cereals, shales, kaolins, fertilizers, tanning materials, waste products of glucose manufactories, marls, &c., have been performed during the last season, and several hundred determinations of water, nitrogen, and proximate principles have already been made on the vegetable samples enumerated, and an increasing amount of correspondence has received constant attention.

At the request of the chemist of the department, I submitted the sorghum analyses and work of his division to the National Academy of Sciences on the 30th of January last for investigation by that body. A committee appointed for that purpose entered upon their work with great zeal and energy, and their report, which was laid before me, was, on July 21, withdrawn formally by the secretary of the academy, "for such action as the academy may deem necessary." On the 15th of November current, the president of the academy presented to me the final report of that institution, a long and elaborate document, containing a review of the history of the sorghum industry for twenty-five years, a statement of the scientific investigations made in this country and in Europe into the quality of sorghum and maize as sugar-producing plants, a careful examination of the chemical work of the department, a large volume of testimony received from sugar manufacturers, and certain suggestions with regard to future investigations and the work of the department. This report is evidently the result of infinite care, and has been subjected to careful revision, and I trust it will be found a valuable text-book for those engaged in the sorghum sugar industry. As a review of the successes and failures which have attended this industry, it is invaluable. As a guide to those who are engaged in it, it contains all the important results that have thus far been obtained by the chemist in his laboratory and the manufacturer in his mill. This report, together with a most voluminous appendix, making an interesting mass of matter far too large to be inclosed in the annual volume of the department for this year, will be issued at an early day as a special publication.

The business of manufacturing sugar from sorghum at the department having failed in 1881, and having furnished discouragement rather than information to those engaged in it, I have called upon the sorghum manufacturers themselves for such information as they could furnish in an accurate manner, for the benefit of the industry they represent. I

have also made the same request of the manufacturers of sugar from beets. I have received assurances from nearly a hundred manufacturers that they will contribute to this work, and I feel confident that I shall in this way receive a great amount of valuable information.

I have endeavored from the beginning of my connection with the department so to conduct the work performed here as a part of that interesting investigation into the value of sorghum now going on in the field of the farmer, and the mill of the manufacturer, and the laboratory of the chemist, as to secure for what appears to be a growing industry all the information which unprejudiced science and the best practical skill can provide; and I trust the knowledge I have gathered will, when published, be found to be of value.

ENTOMOLOGICAL DIVISION.

The work of the entomological division has progressed satisfactorily during the year. The report of the entomologist includes observations on many insects that have attracted attention during the year, while special study has been given to those affecting the principal staples. Yet the observations on these form but a small part of the work of the division, since unpublished notes of observations and experiments have been made on 590 different species more or less injurious, and about which little or nothing was hitherto known, while many additions have been made to our knowledge of the habits of species that had previously been but partly studied.

The chief staples have during the year suffered comparatively little, as a rule, from destructive insects. Yet many serious complaints have come from several sections, and the entomologist has given particular attention to such, visiting the localities that suffered either personally or by proxy.

The aggregate damage done to our products by injurious insects is enormous, and few fields of inquiry promise more substantial and practical results than systematic and intelligent investigation into the habits of these tiny marauders, and the best means of counteracting their ravages. As an evidence of the interest in and appreciation of the work which the department is doing in this field, some 2,500 letters of inquiry have been received during the year, most of them requiring full replies. This correspondence consumes a large share of the time of the entomologist and his assistants.

The United States Entomological Commission has ended its field work and has well-nigh completed its office work. The third report of the Commission has been finished and placed in the printer's hands, and the fourth, which is a revised edition of Dr. Riley's report on the cotton worm, has been delayed so as to include the practical results obtained during the present year. The fifth, which is a revised edition of Dr. Packard's report on the insects affecting forest trees, is in course of preparation.

In addition to the above documents several bulletins on important insects are being prepared, as also a bibliography of economic entomology, and a special report on the insect diseases affecting the orange. Special agents under the direction of the entomologist have been engaged in several widely separated parts of the country making observations and experiments on species affecting the orange and the cotton interests; while a party has explored the northwest regions of the United States and British America with a view of obtaining data in reference to that scourge of the West, the Rocky Mountain locust.

The course of exploration was through Dakota and Montana to Fort McLeod and back down the South Saskatchewan via. Winnipeg—the object being to depart from beaten routes and to make excursions, by the way, into the great plains. The results of the journey warrant the conclusion that the destructive insect is yet in altogether insufficient numbers in these, its native haunts, to threaten any serious migrations or injury to crops in the more fertile States to the southeast.

Dr. Riley has for some years past made it a point to endeavor to collect such data as would warrant anticipation of locust injury or immunity, and the anticipations, as set forth on repeated occasions, have been verified in a remarkable degree.

The farmers of the West have, therefore, so far as the data obtained warrant an opinion, the pleasing assurance that their crops will not be ravaged by locusts in 1883.

The army worm appeared in injurious numbers in several of the Atlantic States, and its advent the present year was also anticipated by the entomologist, who endeavored, through the columns of the agricultural press, to prepare farmers for the visitation. In like manner timely information in reference to the cotton worm was disseminated among the planters of the overflowed districts of the Mississippi Valley in anticipation of possible injury, and the subsequent immunity from injury was no doubt largely due to the preparation for meeting the evil in its incipency which planters in consequence made. Important improvements in the machinery used in poisoning this insect have been made, and the interesting and mooted question as to whether or not the parent of the worm survives throughout the year within the limits of the United States has been definitely settled in the affirmative.

Among other subjects worthy of mention in connection with the entomological division is the introduction and cultivation of the pyrethrums, which are known to have such great value as insect destroyers, and the powder from which is variously sold under the names of "Persian Insect Powder," "Buhach," &c. The entomologist has ascertained by experiment that preparations of this plant may be used successfully in the field against several of our worst insect pests, and its cultivation over as wide an area as possible is, consequently, most desirable. A circular giving information about the two species having this virtue was accordingly sent out, with seed that had been imported from Russia and

the Caucasus. The experience so far had by the recipients of the seed is, on the whole, most encouraging, as is also that had at Washington, where plants of both species, grown from seed sown in the fall of 1880 and spring of 1881, flowered profusely and gave a powder equal in its insecticide qualities to any previously tested.

DISTRIBUTION OF SEEDS.

Tabulated statement showing the quantity and kind of seeds issued from the seed division, Department of Agriculture, under special appropriation act of Congress passed April 11, 1882, of \$20,000 for the flooded districts south.

DESCRIPTION OF SEEDS.

	Packages.
Vegetables	414,886
Field corn	48,644
Field pease	26,957
Field beans	3,964
Field millet	14,348
Field cotton	159
Grand total	508,958

RECAPITULATE.

Senators and Members of Congress	1,058,479
State agricultural societies	7,588
Statistical correspondents	269,177
Special appropriation	508,958
Miscellaneous applicants	552,274
Grand totals	2,396,476

Tabulated statement showing the quantity and kind of seeds issued from the seed division, Department of Agriculture, under the general and special appropriation acts of Congress from July 1, 1881, to June 30, 1882, inclusive.

Description of seeds.	Varieties.	Senators and Members of Congress.	State agricultural societies.	Statistical correspondents.	Special appropriation, \$20,000.	Miscellaneous applicants.	Grand total.
		Packages.	Packages.	Packages.	Packages.	Packages.	Packages.
Vegetables	107	719,855	.....	159,343	414,886	366,020	1,651,704
Flowers	86	75,627	.....	3,327	.....	100,498	179,452
Herbs	15	.....	.....	4	.....	212	216
Tobacco	7	62,447	.....	825	.....	19,933	83,215
Trees	3	381	.....	159	.....	535	1,075
Sunflower	1	.....	.....	99	.....	166	256
Opium poppy	1	.....	.....	6	.....	48	54
Pyrethrum	1	.....	.....	.....	.....	2,017	2,017
Grape vine	5	19,246	.....	.....	.....	678	19,924
Strawberry	4	14,029	.....	.....	.....	806	14,835
Tea seed	1	34	.....	.....	.....	.....	34
Coffee	1	435	.....	.....	.....	4	439

Tabulated statement showing the quantity and kind of seeds issued from the seed division, Department of Agriculture—(Continued.)

Description of seeds.	Varieties.	Senators and Members of Congress.	State agricultural societies.	Statistical correspondents.	Special appropriation, \$20,000.	Miscellaneous applications.	Grand total.
FIELD SEEDS.							
		Packages.	Packages.	Packages.	Packages.	Packages.	Packages.
Wheat	15	52,847	6,084	33,232	.....	5,788	97,951
Oats	5	40,684	1,408	12,619	.....	20,563	75,274
Corn	13	19,081	.....	15,230	48,644	9,942	92,897
Barley	1	29	.....	.....	.....	366	395
Buckwheat	1	3,503	.....	5,162	.....	4,715	13,380
Rye	1	32	.....	10,274	.....	659	10,965
Sorghum	19	2,377	.....	692	.....	3,503	6,572
Sugar-beet	1	.....	.....	85	.....	1,410	1,501
Mangel wurzel	1	.....	.....	39	.....	66	105
Grass	5	562	64	997	.....	2,883	4,506
Clover	4	279	8	139	.....	828	1,254
Cow-pea	1	.....	.....	67	.....	133	200
Richardsonia scabra	1	.....	.....	16	.....	43	59
Borage	1	.....	.....	8	.....	5	13
Millet	1	.....	.....	.....	14,348	2	14,350
Rice	1	.....	.....	2	.....	46	48
Turnips, special issue	5	35,700	.....	35,000	.....	.....	70,700
Beans, special issue	9	.....	.....	.....	3,964	.....	3,964
Pease, special issue	9	.....	.....	.....	26,957	.....	26,957
TEXTILE.							
Cotton	5	20,257	24	230	159	10,103	30,773
Hemp	2	.....	.....	.....	.....	46	46
Flax	1	.....	.....	.....	.....	12	12
Jute	1	54	.....	21	.....	228	303
Ramie	1	.....	.....	.....	.....	10	10
Grand total .....	.....	1,058,479	7,588	269,177	508,958	552,274	2,396,476

DISEASES OF DOMESTIC ANIMALS.—WORK OF THE VETERINARY DIVISION.

The failure of the corn and hay crops last year resulted in the loss, during the following winter months, of large numbers of farm animals. Since the opening of spring and the reappearance of grass, however, the past season has been an exceptionally favorable one for all classes of domestic animals. If we except Texas fever of cattle, no widespread epidemic has prevailed among any class, and the aggregate loss from disease will be less than in many former years.

Contagious pleuro-pneumonia still prevails among cattle in the States heretofore infected, but the area of the infected territory does not seem to have been extended during the year.

An outbreak of disease occurred in a large herd of cattle in Culpeper County, Virginia, in October last. It was thought to be Texas fever, and Dr. Miller, a competent veterinarian, was directed by the department to visit the locality of the outbreak and afford such relief as was in his power. On his arrival he found but two animals remaining on the place, and they were reported as being in a healthy condition.

A number of cattle had died, and in order to protect himself from further loss the owner had shipped all those that showed no evidences of disease to the Baltimore cattle market.

From all the information the inspector of the department was able to glean respecting the symptoms of the malady and *post mortem* appearances of the animals, he was led to believe that the disease was contagious pleuro-pneumonia, or lung plague. However, as he saw no sick animals and had no opportunity of making a *post mortem* examination himself, the identity of the disease must remain in doubt. •

A number of both acute and chronic cases of lung plague were found by the inspectors of the department during their examinations of the past season in the States of New Jersey and Maryland. In the early part of the season a few cases were reported from Pennsylvania, caused by the importation of diseased or infected cattle from Maryland.

Texas fever of cattle prevailed over a wider extent of country during the season just closed than for many years. But few of the northern and border States escaped its ravages. The department sent members of the veterinary corps to a number of localities in Virginia, West Virginia, Ohio, Illinois, and Kansas, where the disease was reported as prevailing in a most destructive form, for the purpose of instituting such precautionary and preventive measures as would most quickly suppress the malady by preventing its further extension. In addition to this the department issued special report No. 50, which it widely distributed among the farmers and stock-raisers where southern cattle are usually grazed during the summer and fall months. This monograph contained, in addition to the report of Dr. W. B. E. Miller, a valuable paper from the pen of Dr. D. E. Salmon on the best means for controlling the contagion by the prevention of its further extension.

In addition to investigations of sporadic outbreaks of disease in widely separated localities, those employed by the veterinary division have continued the investigation of fowl cholera, swine plague, Texas fever of cattle, and a number of contagious diseases incident to sheep, with a view to determining their cause and the discovery of a remedy or preventive for the same. Dr. Detmers has spent the greater part of the year in Texas in the study of the peculiar fever which seems to have its home in the bodies of cattle raised in that State, and of some of the more destructive contagious diseases that yearly destroy thousands of sheep in the extensive ranges of the South and Southwest. The experiments with contagious diseases generally are of a very delicate nature, and the results sought necessarily of slow attainment. This seems especially

the case with Texas fever of cattle, but as the end sought is one of such great importance to the future cattle interests of the country, the small sum annually expended in efforts to discover the true virus of the malady will be considered of no consequence in comparison to the great benefits which must result should these efforts eventually be crowned with success.

While Dr. Salmon has been studying the nature of the contagious and infectious diseases which are so fatal to the various species of live stock in the different parts of the country, in order that we may know exactly what causes them, how this cause is distributed from place to place, and what are the most efficient and practical means of destroying it, he has had another and equally important object in view.

It is now certain that with most of these diseases the living animal may be brought into a condition to completely resist the effects which usually follow exposure to the virus; that, strange as it may appear, animals may be rendered perfectly safe though they are exposed on every side to the germs of our most fatal diseases.

From the first he has been endeavoring to perfect the means of obtaining this desirable result, and although the investigation has been an extremely difficult one, some very satisfactory discoveries have been made. A new and very practical method of lessening the effects of the most virulent virus has been developed, which is very manageable with chicken cholera, and which it is believed is applicable to other diseases.

Inoculation with such attenuated virus is only followed by a slight local irritation, and when this subsides the individual is found to have acquired a very complete degree of insusceptibility. As soon as the details concerning this are worked out it will be possible to furnish vaccine from the department with which the farmer in different parts of the country can protect his animals from, certainly, a number of the plagues which are now so destructive, and it is hoped that this will be true of all the important ones.

The experiments with Texas or Spanish fever of cattle seem to have demonstrated very conclusively that this disease may be successfully inoculated by using material obtained from the spleen of sick cattle. A peculiar micrococcus has been found in this material and cultivated outside of the body, but in such cultivations it loses its virulence. Experiments will soon be undertaken to learn the reason of this, and to discover, if possible, a vaccine that will protect the cattle exposed to infected pastures. The investigations of the year have shown that a large part of the State of Virginia is permanently infected with this disease, and that cattle from this district are as dangerous as those from Texas. It was ignorance of this fact that led to the enormous losses of cattle in that State during the past summer.

The extension of the territory permanently infected by this plague, a fact first established by the investigations of this department, has been abundantly confirmed; the border line of the dangerous district is ad-

vancing across the previously healthy country at the rate of from one to four miles per annum.

Notwithstanding the importance of this fact the people most directly interested have scarcely suspected it, and much less have they attempted any effective means to check such extension. It is believed that the investigations now in progress will clearly outline this district and will furnish sufficient data bearing upon other points of the question to enable the interested States to make intelligent and effective laws for holding this dangerous plague in check until we learn sufficient in regard to its nature to enable us to attempt its extermination with some hope of success.

What has been discovered by the investigation of this disease cannot fail to be of the greatest value, not only to the affected district but to the country at large. It has been generally supposed that the only cattle capable of infecting northern pastures were those from the neighborhood of our South Atlantic and Gulf coasts from South Carolina to Texas; but it is shown that this dangerous district has advanced until it includes nearly all of North Carolina east of the Blue Ridge, and has even crossed the James River in Virginia.

It has never heretofore been doubted that the contagion of Texas fever was destroyed by frost and could not survive the winter in sections where freezing weather occurred; but it is now demonstrated that this view is incorrect, that in many parts of the infected district it resists severe winters, and that as it advances northward this power of resistance is gradually increased.

These extremely important facts show the necessity of continuing this investigation until we have acquired the means of controlling, if not of exterminating, the contagious diseases which are on the increase among our animals, and which threaten to destroy the great advantage which the farmers of this country have heretofore enjoyed in the live-stock industry. Detailed reports of the results of the work undertaken and prosecuted during the year will be submitted hereafter.

The call upon the department for veterinary investigation, during the year 1882, has been very great. The sudden and unaccountable outbreak of disease among domestic animals has been a matter of great anxiety in many portions of the country. As the number of our cattle, horses, sheep, and swine increases, the outbreak of contagious diseases also increases. The annual disturbances, moreover, incident to the work and confinement to which all classes of animals are subjected, which are held in immediate domestication, also increase as our population grows more and more dense.

To meet the calls which this state of affairs creates, I have been obliged to depend on such temporary and outside service as I could obtain. The absence of a well-organized veterinary division has been severely felt in the department, and it is of the utmost importance that such a division should be established, in which all investigations can

be directed by a competent head, and on which the owners of live stock can call for counsel and aid. It is important to know the precise extent of existing disease. It is important to know how to guard against the spread of contagion and how to provide for its removal. It is important to know, if possible, the most economical remedies for disease, and how best to avoid the vast annual loss of animals from bad treatment and exposure. It is important also to ascertain, by the most careful investigation, the breeds best adapted to different localities and purposes in our country. To do this a well-organized division of veterinary inquiry and animal industry in this department is absolutely necessary.

DIVISION OF STATISTICS.

The division of statistics has pursued its general and special lines of effort, during the year, with new energy and persistence. Following a year the most disastrous to production known in the recent history of American agriculture, it has been the more difficult to mark accurately resulting changes in area and production of the present season, which has been one of extraordinary character, threatening throughout the planting season another year of comparative failure, from supersaturation of soils and river overflows, and thenceforward repairing continuously the early loss of condition by seasonable moisture and requisite sunshine, with little deterioration from storm or flood, drought or insect depredations.

From Maine to New Jersey on the Atlantic coast, an exception occurs in the prevalence of drought through the months of July and August. The unusual lateness of killing frosts crowned the record of the season's favors and secured a medium to full supply of all the various crops of the farm.

In recent years the aggregate production of cereals has reached a maximum of about 2,700 millions of bushels. Last year it fell nearly to 2,000 millions. The present crops, with some increase of area, will make nearly 2,700 millions. It is too early for the complete estimates of the year, but the results will be close to the following figures, which are given in connection with those of 1881 and the census results for the year 1879.

Cereals.	Department of Agriculture.		Census.
	1882.	1881.	1879.
	<i>Bushels.</i>	<i>Bushels.</i>	<i>Bushels.</i>
Corn	1,635,000,000	1,194,916,000	1,754,861,535
Wheat	510,000,000	383,280,090	459,479,505
Oats	470,000,000	416,481,000	407,858,999
Barley	45,000,000	41,161,330	44,113,495
Rye	20,000,000	20,704,950	19,831,595
Buckwheat	12,000,000	9,486,200	11,817,327
	2,692,000,000	2,066,029,570	2,697,960,456

There has been an increase of corn in the South, but in Illinois and Iowa a decline from the census crop of more than two hundred million bushels. The average yield per acre of corn will be nearly 25 bushels, about two bushels less than an average. The yield of wheat will be about $13\frac{1}{2}$ bushels per acre, or $1\frac{1}{2}$ bushels more than average. The product of cotton will probably equal that of the year 1880 (which was the largest ever made) and may slightly exceed it, approximating seven million bales.

A plan for completing and perfecting the system of crop-reporting, for which appropriation was made at the last session of Congress, has been put into operation, with initiatory results which promise success. It includes the appointment of State statistical agents, each at the head of a corps of reliable and judicious correspondents, who make simultaneous return, on the first of each month, both to the agent and the department. The agent is further charged with any special investigation that may from time to time be required, and with the collection of results of local experiment, and any valuable facts illustrating the progress of agriculture.

The design is, by establishing a permanent system of efficient and prompt collection of current statistics, to be able to present instantly and accurately the current changes in crop areas and conditions, and in production of breadstuffs, meats, industrial products, and all results of agricultural labor.

In obedience to requirement of Congress, there have been published, for three months past, statements showing the through rates of transportation by railroad and steamboat companies on all the principal routes, including the great trunk lines, the Pacific roads, and the north and south roads, and the coast lines of steamers upon the principal products of agriculture.

The local rates have also been given on all the prominent lines, and special freight rates have also been given. The railroads have responded with satisfactory promptness, furnishing freely their through and local tariffs, freight classifications, routes, and connections, and other information concerning their roads.

It has been found necessary to establish a European agency for collection of statistics showing prospective demand for American products, especially of grain and meats, for the information of farmers of the United States. This agency promises great efficacy and utility. Its headquarters is established at the office of the consul-general at London.

FORESTRY DIVISION.

A report from the forestry division was laid before Congress on May 12, 1882, and has been printed. It deals with the care of forests upon the public lands, experiment stations for forest culture, meteorological observations with the view of determining the influence of forests on climate, the statistics of forest products used as tanning materials, for-

est fires, insect ravages, experiments in timber planting upon the college-farm, at Lincoln, Nebr., forests in Europe, and the expensive and wasteful use of timber as a fencing material. A report has also been submitted on European schools of forestry, and forestry experiment stations. Large numbers of circulars have been issued asking for information with regard to railroad ties, and the answers returned are being examined and arranged. Circulars have also been issued inquiring into tree-planting in the prairie States, the trees selected, and the method of management.

The Hon. F. P. Baker, of Topeka, Kans., has also been employed to investigate the condition of forests in the prairie States, and in the region lying west of the Mississippi and east of the Rocky Mountains.

This preliminary report has been made, and contains valuable views upon the timber-culture act, the possibility of forest culture in the far West, with a sketch of what has been done, and some suggestions as to what should be done. Mr. Baker urges the absolute necessity of immediate action by Congress in regard to the timber-culture act, to make it effective. He proposes to visit the regions where forest fires have done so much damage and investigate the causes, and the best means of controlling them. This report will be published as a special, and laid before Congress at an early day.

ARTESIAN WELLS.

In accordance with suggestions made by the Commission employed last year to select proper locations for artesian wells, the Hon. Horace Beach and Professor White, two of those Commissioners, were employed to select what seemed to them proper places for boring the wells. They have located a well 112 miles easterly from the city of Denver, upon government land, near the station of Akron, on the Burlington and Missouri Railroad, in Colorado. A second well has been located 177 miles southeasterly from Denver, upon government land, near the line of the station of Cheyenne Mills, on the Kansas Pacific Railroad. Each location has been made with reference to the probability of supplying water to good lands, and so as to be useful, if successful, for irrigating purposes and the watering of stock. Agreements have been made for the supply of water for engine use in drilling, with the railroads alluded to, free of charge. The sites selected have been withdrawn from entry under homestead, pre-emption, and timber acts. •

Contracts have been awarded to James A. Fleming & Co., of Denver, Colo., for the sum of \$14,000, for drilling both wells to the depth of 2,500 feet each, if required, the contractor to furnish all the materials necessary to do the work and to pay for the labor employed. The wells are divided into sections, as follows: The first thousand feet and the balance of the 2,500 feet into 500 feet sections, the Department of Agriculture retaining the right to stop the work at any distance below 1,000 feet, and pay *pro rata* for the distance bored. The machinery has been placed on the ground, and the work of drilling has already commenced.

WOOLS AND FIBERS.

The report of Dr. McMurtrie on wools and fibers has been presented, and, in connection with a paper on the subject prepared by Miss Clara P. Ames, of Boston, and forwarded to this Department by Hon. Edward Atkinson, will soon be published. In connection with the examination of the fineness of fiber a careful study has been made of the internal structure of the fibers of pure bred and grade sheep to determine the differences arising from breeding and management, and their effect upon the strength, elasticity, and felting properties. The instruments for testing the wool fiber have been greatly improved, and the experiments entered upon by this division of the department are of great interest. It is intended that the testing of cotton fiber will be pursued in the same manner.

DEPARTMENTAL REPORTS.

In addition to the annual report of the Department for the year 1880 and 1881, of which 300,000 copies each were ordered printed, the following special and miscellaneous reports have been issued since July 1, 1881:

SPECIAL REPORTS.

	No. of copies printed.
No. 34. Contagious diseases of domestic animals. 391 pp., octavo. Illustrated.	50,000
No. 37. Condition of crops, June and July, 1881. 24 pp., octavo	10,000
No. 38. Condition of crops, August, 1881. 24 pp., octavo	10,000
No. 39. Condition of crops, September, 1881. 30 pp.	10,000
No. 40. Condition and needs of spring-wheat culture in the Northwest. By C. C. Andrews. 100 pp., octavo	10,000
No. 41. Estimated production of cereals of the United States for the year 1881. 8 pp., octavo	10,000
No. 42. Report on the condition of winter grain, number and condition of farm animals, &c., April, 1882. 82 pp., octavo	10,000
No. 43. Report on the condition of winter grain, the progress of cotton and corn planting, rate of wages and labor, &c., May, 1882. 20 pp., octavo	10,000
No. 44. Report upon the acreage and condition of cotton, the condition of all cereals, and the area of spring wheat, &c., June, 1882. 14 pp., octavo	10,500
No. 45. Report upon the area and condition of corn, the condition of cotton, and of small grains, sorghum, tobacco, &c., July, 1882. 33 pp.	11,000
No. 46. Report upon the condition of cotton, of spring wheat, fruits, &c.; also freight rates of transportation companies, August, 1882. 54 pp., octavo	11,000
No. 47. Climate, soil, and agricultural capabilities of South Carolina and Georgia. By J. C. Hemphill. 65 pp., 1882, octavo	10,000
No. 48. Silos and ensilage. A record of practical tests in several States and Canada, 1882. 70 pp., octavo	15,500
No. 49. Report upon the condition of corn and cotton, of potatoes, fruits, &c.; also freight rates of transportation companies, September, 1882. 48 pp., octavo	11,000
No. 50. The dissemination of Texas fever of cattle, and how to control it, 1882. 14 pp., octavo	12,000
No. 51. Report upon the yield of small grain, condition of corn, cotton, potatoes, and tobacco; also freight rates of transportation companies, October, 1882. 58 pp., octavo	12,000
No. 52. Report on yield per acre of cotton, corn, potatoes, and other field crops, with comparative product of fruits; also local freight rates of transportation companies, November, 1882	11,000

MISCELLANEOUS REPORTS.

	No. of copies printed.
Preliminary Report, Commissioner of Agriculture, 1881. 58 pp., octavo.....	8,000
Fertilizers: co operative experimenting as a means of studying the effects of fertilizers and the feeding capacities of plants. By Prof. W. O. Atwater, 1882. 33 pp., octavo.....	1,500
Florida: its climate, soil, productions, and agricultural capabilities, 1882. 93 pp.....	10,000
Report on the climatic and agricultural features, and the agricultural practice and needs of the arid regions of the Pacific slope, &c., 1882. By E. W. Hilgard, T. C. Jones, and R. W. Furnace. 182 pp.....	2,500
Proceedings of a convention of agriculturists, held in the Department of Agriculture, January 10 to 18, 1882. 201 pp., octavo.....	10,000
Artesian wells upon the Great Plains: being the report of a geological commission appointed to examine a portion of the great plains east of the Rocky Mountains, and report upon the localities deemed most favorable for making experimental borings, 1882.....	3,500
In addition to the above, there has also been prepared the following reports, which will be published as soon as the necessary funds are available:	
The meat question analyzed. By Dr. G. Sprague, Chicago, Ill.	
Account of field experiments with fertilizers. By Prof. W. O. Atwater, Ph. D.	
Report of the proceedings of the convention to promote the sheep and wool industry held in Philadelphia, Pa., September 22, 23, and 24, 1882.	

DISBURSING OFFICE.

The following table exhibits in condensed form the appropriations made by Congress for this department, the disbursements and unexpended balances for the fiscal year ending June 30, 1882:

Title of appropriation.	Amount appropriated.	Amount disbursed.	Amount unexpended.
Salaries.....	\$79,500 00	\$79,491 89	\$8 11
Collecting statistics.....	10,000 00	10,000 00	.....
Laboratory.....	6,000 00	5,811 85	188 15
Purchase and distribution of valuable seeds.....	80,000 00	79,991 53	8 47
Experiments in the culture of tea.....	10,000 00	8,743 37	1,256 63
Experimental garden.....	7,000 00	6,968 25	31, 75
Museum.....	1,000 00	1,000 00	.....
Furniture, cases, and repairs.....	4,000 00	4,000 00	.....
Library.....	1,000 00	973 85	26 15
Investigating the history of insects.....	20,000 00	19,998 94	1 06
Examination of wools and other animal fibers.....	5,000 00	5,000 00	.....
Investigating the diseases of swine, &c.....	25,000 00	22,443 89	2,556 11
Reclamation of arid and waste lands.....	10,000 00	10,000 00	.....
Report on forestry.....	5,000 00	4,941 00	59 00
Postage.....	4,000 00	4,000 00	.....
Contingent expenses.....	10,000 00	10,000 00	.....
Improvement of grounds.....	8,000 00	8,000 00	.....
Transporting, &c., agricultural and mineral specimens from Atlanta, Ga.....	5,000 00	\$93 86	4,106 14
Purchase and distribution of seeds to overflowed districts.....	20,000 00	20,000 00	.....
* Experiments in the manufacture of sugar.....	35,000 00	32,333 75	2,666 25
Building for the display of agricultural implements.....	10,000 00	10,000 00	.....
Printing and binding.....	11,000 00	9,156 42	1,843 58

* This appropriation has been exhausted since the close of the last fiscal year.

Very respectfully,

GEO. B. LORING,
Commissioner of Agriculture.

INDEX.

A.

	Page.
Academy, Military, statement of the Secretary of War concerning	306
Naval, report of the Board of Visitors to	542
statement of the Secretary of the Navy concerning	478
superintendent of the, report of the	540
Adjutant-General of the Army, reports of the	334, 364
Adjutant-General's Department, report of the Secretary of War concerning	306
Agriculture, remarks of President Arthur concerning	22
report of the Commissioner of	991
Alaska, statements concerning, by President Arthur	22
the Secretary of the Treasury	71
Alexander, D. S., Fifth Auditor of the Treasury, report of	272
Almanac, Nautical, report of the Superintendent of the	520
American ship-building, remarks of President Arthur concerning	18
Annual message of the President to Congress	3
Architect of the Capitol, report of the	756
Arctic expeditions, remarks of the Secretary of the Navy concerning	403
War concerning	321
statement of the President concerning	16, 17
Arming and equipping the militia, remarks of the President concerning	14
Secretary of War concerning	309
Armstrong, W. H., Commissioner of Railroads, report of	671
Army, remarks of President Arthur concerning the	14
report of the General of the	327
suggestion of the Secretary of War concerning the	305, 324
Arlington Cemetery, remarks of the Secretary of War concerning	212
Artesian wells, remarks of the Commissioner of Agriculture concerning	1004
Artificial limbs and appliances for soldiers	314, 408
Artillery militia, remarks of the Secretary of War concerning	324
school at Fortress Monroe, remarks of the Secretary of War concerning	306
Assets and liabilities of the Treasury, statement of	112, 114
Atchison, Topeka and Santa Fe Railroad Company	580, 724
Auditor of the Treasury, report of the First	224
Second	231
Third	243
Fourth	256
Fifth	272
Sixth	280

B.

Banks, national	41, 117
dividends of national	169
redemption of notes by national	42, 178
savings, organized under State laws	120
taxation of national	43, 162

	Page.
Barracks and quarters, Army	331, 350, 395
Marine	539, 444, 545
Beardsley, Charles, Fourth Auditor of the Treasury, report of	256
Benét, Stephen V., Chief of Army Ordnance, report of	443
Blank Agency estimates	835, 853
Blackfan, Superintendent of Foreign Mails, report of	945
Blunt, A. P., Brevet Colonel, report on the Leavenworth Military Prison	424
Board of Visitors to the Naval Academy, report of	542
Botanical division of the Department of Agriculture	992
Bonds, redemption of, remarks of President Arthur concerning the	9
statement of the Secretary of the Treasury, concerning	32
Boys, training for seamen	477
Brooklyn, New York, navy-yard	490
Bruce, Blanche K., Register of the Treasury, report of	297
Building, Departments, construction of, report on	431
Buildings, public	72, 323
Building, ship, remarks of President Arthur concerning	18
Burchard, Horatio C., Director of the Mint, report of	182
Bureau of Construction and Repairs, report of the Chief of the	530
Engraving and Printing, remarks of the Secretary of the Treasury con- cerning	72
Equipment and Recruiting, report of the Chief of the	497
Internal Revenue, report of the Commissioner of the	79
Military Justice, report of the Chief of the	370
Navigation, report of the Chief of the	499
Ordnance, report of the Chief of the Army	443
Provisions and Clothing, report of the Chief of the Navy	537
Steam-Engineering, report of the Chief of the	522
Yards and Docks, report of the Chief of the	489
C.	
Cadets, at the Annapolis Naval Academy	473, 544, 546, 548
West Point Military Academy	306
Capitol, the remarks of the Secretary of the Interior concerning the	593
report of the Architect of the	756
Casey, Thomas Lincoln, Lieutenant-Colonel, report of, on the Department build- ings	431
Cemeteries, national military	311, 394
Census, statement of the President concerning the	21
Secretary of the Interior concerning the	590
Chandler, William E., Secretary of the Navy, report of	453
Charlestown navy-yard	489
Chili, relations with, remarks of President Arthur concerning	7
China, relations with, remarks of President Arthur concerning	5
Civil service, remarks of President Arthur concerning the	23
the Commissioner of Internal Revenue on	87
Claim agents	311, 398
Claims against the government	47, 247, 389, 393, 406, 407
for quartermaster's stores	398
Clark, Edward, Architect of the Capitol, report of	756
Clothing and equipage of the Army	384
Coast and Geodetic Survey, statement of the Secretary of the Navy concerning the statement of the Secretary of the Treasury concerning the	475 65

	Page.
Coin and paper currency, distribution of.....	135
Coinage, statement of the Director of the Mint concerning.....	182
President concerning.....	10
Secretary of the Treasury concerning.....	38, 40
Treasurer of the United States concerning.....	290
Collisions at sea, prevention of, remarks of the President concerning the.....	8
Columbia Institution for the Deaf and Dumb.....	597
Commerce and navigation, remarks of the Secretary of the Treasury concerning.....	59
Commerce, relations of the Navy to, remarks of the Secretary on the.....	479
Commissary-General, report of the.....	399
Commissioner of Agriculture, report of the.....	991
Customs, report of the.....	219
Indian Affairs, report of the.....	613
Internal Revenue, report of the.....	79
Land Office, report of the.....	600
Pensions, report of the.....	731
Railroads, report of the.....	671
Commissioners of Soldiers' Home, report of the.....	426
Comptroller of the Currency, report of the.....	117
First, of the Treasury, report of the.....	210
Second, of the Treasury, report of the.....	217
Confederate war-records, remarks of the Secretary of War concerning the.....	323
Conger, P. H., Superintendent Yellowstone National Park, report of.....	795
Contagions of domesticated animals, remarks of the Commissioner of Agriculture on.....	998
Crane, C. H., Surgeon-General of the Army.....	408
Currency, report of the Comptroller of the.....	117
Customs, Commissioner of, report of the.....	219
statement of the Secretary of the Treasury concerning the revenue from.....	46
Customs cases, the trial of, remarks of the Secretary of the Treasury concerning.....	47

D.

Dead letters in the Post-Office Department.....	814
Deaf and Dumb, Columbia Institution for the.....	597
Debt, public, statement of the Secretary of the Treasury concerning.....	51
De Krafft, J. C. P., hydrographer of the Bureau of Navigation.....	509
Defenses, sea-coast and lake frontier.....	436
Department of Agriculture, report of the Commissioner of.....	991
Director of the Mint, report of the.....	182
Distilled spirits, internal-revenue tax on.....	88
Distilleries, statistics concerning.....	100, 107
Distinctive paper, remarks of the Secretary of the Treasury concerning.....	71
District of Columbia, remarks of President Arthur concerning.....	25
the Secretary of the Treasury concerning.....	73
Dividends of national banks.....	169
Drum, Richard C., Adjutant-General, reports of.....	334, 361
Dudley, William W., Commissioner of Pensions, report of.....	731
Duties on imports, remarks of the Secretary of the Treasury on.....	55

E.

Education in the Army, remarks of the Adjutant-General on.....	337
Education, statement of the Secretary of the Interior concerning.....	564, 569
War concerning.....	325

	Page.
Elli, J. H., Sixth Auditor of the Treasury, reports of.....	280, 957
Elections, remarks of the President concerning.....	25
Ellmer, Richard A., Second Assistant Postmaster-General, report of.....	840
Engineer Department, remarks of the Secretary of War concerning the.....	316
Engineers, report of the Chief of Army.....	435
Enlistments in the Army.....	316, 334
English, Earl, chief of Bureau of Equipment and Recruiting, report of.....	498
Engraving and Printing, Bureau of, remarks of the Secretary of the Treasury concerning the.....	72
Entomological Division of the Department of Agriculture, statement of the Commissioner of Agriculture concerning the.....	995
Epidemic diseases, preventing the spread of, remarks of the Secretary of the Treasury concerning.....	70
Equipment and Recruiting, Bureau of, report of the chief of.....	497
Estimates for the fiscal year ending June 30, 1882.....	27
1883.....	30
1884.....	31
Executive appointments, statement of the President concerning.....	24
Expenditures for the fiscal year ending June 30, 1882.....	27
1883.....	30
1884.....	31
Exports and imports.....	60
Extension and improvement of the Capitol grounds.....	593

F.

Fermented and distilled liquors, internal-revenue tax on.....	88, 100
Ferriss, Orange, Second Auditor of the Treasury, report of.....	231
Finances, remarks of President Arthur concerning the.....	8
Folger, Charles J., Secretary of the Treasury, report of.....	27
Forage for the Army.....	310, 388
Ford, S. Calvert, inspector of gas and meters, report of.....	795
Foreign coins, value of.....	190
commerce, statement of the Secretary of the Treasury concerning.....	58
mail service.....	816
Forestry, remarks of the Commissioner of Agriculture concerning.....	1003
statement of President Arthur concerning.....	22
Fractional paper currency, statement of the Treasurer of the United States concerning.....	290
Free delivery of postal matters, statement concerning.....	802
Freedman's Hospital, report of the surgeon-in-chief of.....	762
statement of the Secretary of the Interior concerning.....	595
Funding the public debt, remarks of the Comptroller of the Currency concerning.....	127
Secretary of the Treasury concerning.....	43

G.

Gallaudet, Edward M., President of the Institution for the Deaf and Dumb.....	763
General of the Army, report of the.....	327
Geodetic Survey, statement of the Secretary of the Treasury concerning.....	65
Geographical and Lake Survey maps.....	441
Geological Survey, remarks of the Secretary of the Interior concerning.....	588
Gibbllan, James, Treasurer of the United States, report of.....	281
Gold bullion.....	39, 136
certificates, the issue of, remarks of the Secretary of the Treasury concerning.....	36, 37

H.

	Page.
Hancock, Winfield S., Major-General, of the Army, report of.....	357
Hatton, Frank, First Assistant Postmaster-General, report of.....	846
Hazen, A. D., Third Assistant Postmaster-General, report of.....	918
Health of the Army.....	410
Navy.....	472
Horses, mules, and oxen purchased for the Army.....	310
Hospital, Freedman's, report of the.....	762
• statement of the Secretary of the Interior concerning.....	595
Insane, report of the Board of Visitors to the.....	775
statement of the Secretary of the Interior concerning.....	596
War concerning.....	308
Marine, statement of the Secretary of the Treasury concerning.....	66
Hospitals, appropriation for.....	396
Hot Springs reservation.....	598, 603
report of the Superintendent of the.....	788
Howe, Timothy O., Postmaster-General, report of.....	799
Hydrographic Office, Superintendent of the, report of.....	509

I.

Immigration to this country, remarks of the Secretary of the Treasury concerning..	68
Imports and exports.....	10, 60
Indemnity funds, remarks of President Arthur concerning.....	5
Indian Affairs, report of the Commissioner of.....	613
statement of the President concerning.....	620, 21
Secretary of the Interior concerning.....	555
War concerning.....	325
Indian agents.....	615
Indian education, remarks of the Secretary of the Interior concerning.....	565
prisoners, supplies issued to.....	405
reservations, remarks of the Secretary of the Interior concerning.....	560
titles to lands.....	558
trust fund.....	564
Infantry and Cavalry School, at Fort Leavenworth, remarks of the Secretary of	
War concerning.....	306
Ingalls, Rufus, Quartermaster-General of the Army, report of.....	138
Insane Asylum, report of the Board of Visitors.....	775
statement of the Secretary of the Interior concerning the.....	596
War concerning the.....	308
Hospital.....	367
Inspector-General of the Army, report of the.....	342
Inspector of Gas and Meters, report of the.....	795
Interior Department building.....	594
Interior, Secretary of the, report of the.....	555
Internal Revenue, remarks of the President concerning.....	11
report of the Commissioner of.....	79
statement of the Secretary concerning.....	47
Interoceanic Canal, remarks of the President concerning the.....	3
Internal taxes, reduction of.....	48
Invalid pensions.....	585

J.

Japanese Government, relations with, remarks of President Arthur concerning..	5
Jeannette expedition, remarks of the Secretary of the Navy concerning the.....	463

	Page.
Johnson, Henry C., Commissioner of Customs, report of	219
Johnson, P. C., Chief Signal Officer, report of	519
Judge-Advocate-General of the Army, report of the	370

K.

Keightly, E. W., Third Auditor of the Treasury, report of	243
Kelley, B. F., Superintendent of Hot Springs Reservation, report of	788
Knox, John Jay, Comptroller of the Currency, report of	117

L.

Land-grant railroads	21, 310, 392, 400, 584
Lands, public, statement of the Secretary of the Interior concerning	569
Lawrence, William, First Comptroller of the Treasury, report of	210
League Island, navy-yard at	491
Leavenworth military prison	349, 424
Legal-tender notes, statement of the Comptroller of the Currency concerning	126, 171
Secretary of the Treasury concerning	37, 72
Life-Saving Service	63, 477
Light-house establishment, remarks of the Secretary of the Treasury concerning	61
Light-house Service and Coast Survey, transfer of, remarks of the President concerning	17
Lincoln, Robert T., Secretary of War, report of	304
Loring, George B., Commissioner of Agriculture, report of	991

M.

McCawley, commandant of the Marine Corps, report of	538
MacDonald, C. F., Superintendent Money-Order System, report of	938
McDowell, Irvin, Major-General, report of	363
McFarland, N. C., Commissioner of the General Land Office, report of	600
Macfeeley, Robert, Commissary-General, report of	399
Mail depredation, statement of the Postmaster-General concerning	817
transportation, remarks of the President concerning	18
Major-General of the Army, report of	357
Maps, Army	441, 442
post-route	817
Signal-Service	502
Mare Island, California, navy-yard at	493
Marine Corps, remarks of the Secretary of the Navy concerning the	472
hospitals	488
Medical Department, Army, report of the Surgeon-General of the	408
statement of the Secretary of War concerning the	313
Medical Museum and Library of the Army	415-417
Merchant marine, decline of the, remarks of the Secretary of the Navy concerning the	480
Message of the President to Congress, the annual	3
Mexico, relations with, remarks of President Arthur concerning	6
Military Academy, statement of the Secretary of War concerning	306
cemeteries	311, 391
colleges	306, 333
Justice, Bureau of, remarks of the Secretary of War concerning the	309
posts	305, 306, 332, 333
prison at Leavenworth, Kansas, report concerning the	424

	Page
Military prison at Leavenworth, Kansas, statement of the Secretary of War concerning the	308
reservations	397
sites in Texas	397
Militia, arming and equipping the	449
Mint, report of the Director of the	182
Mississippi River, improvement of the	15, 441
Money-order postal system, report of the Postmaster-General concerning	5
Monitors, double-turreted, remarks of the Secretary of the Navy concerning	470, 472
report of the Chief of the Bureau of Steam-Engineering concerning	529

N.

National-bank notes, redemption of, remarks of the Secretary of the Treasury concerning the	51
National banks, dividends of	169
redemption of	295
remarks of the Secretary of the Treasury concerning	41
taxation of	42, 43
National Board of Health, remarks of the Secretary of the Treasury concerning the	70
National military cemeteries, remarks of the Secretary of War concerning	311
Nautical Almanac and American Ephemeris	503
Naval Academy, remarks of the Secretary of the Navy concerning	473
report of the Board of Visitors of the	542
Superintendent of the	540
Advisory Board, report of the	536
affairs, remarks of the President concerning	16
report of the Secretary of the Navy on	453
asylums	474, 495
bureaus	474
cruising stations	462
equipment and recruiting	469
expenditures	474
hospital improvements	462
hydrography	502
Jeannette expedition	463
Marine Corps	472
medicine and surgery	472
Observatory	473
Signal Service	501
steam-engineering	469
squadrons	453, 463
yards and docks	469
Navy, reconstruction of the, remarks of President Arthur concerning the	17
Navy-yards, report on the, at—	
Brooklyn	490
Charleston	489
Key West	494
League Island	491
Mare Island	493
Norfolk	492
Pensacola	492

	Page.
Navy-yards, report on the, at Portsmouth, N. H.-----	489
Washington-----	491
Navy-yards, workmen in, remarks of the Secretary of the Navy concerning-----	459
Newcomb, Simon, Prof., Superintendent of Nautical Almanac, report of-----	520
Newspaper postage, remarks of the Postmaster-General concerning-----	818
Nichols, Edward T., Chief of Bureau of Yards and Docks, report of-----	489
Nicholson, W. L., Topographer Post-Office Department, report of-----	953
Norfolk, navy-yard at-----	492

O.

Observatory, Naval, Superintendent of the, report of-----	504
Ocean mails, statement concerning the-----	816
Officers of the Army, retirement of, remarks of the Secretary of War concerning--	324
Official salaries, remarks of the Secretary of the Interior concerning-----	572
Ordnance, Army, report of the Chief of-----	443
statement of the Secretary of War concerning-----	318
Navy, statement of the Secretary of the Navy concerning-----	468
Oregon and California Railroad Company-----	709

P.

Pacific Railroad, sinking fund, remarks of the Secretary of the Treasury concern- ing-----	29
Pacific Railroads, report of the Auditor on-----	719
Paper currency, remarks of the Secretary of the Treasury concerning-----	36
Patent Office, statement of the Secretary of the Interior concerning the-----	573
Patents, the Commissioner of, remarks of the Secretary of the Interior on report of--	573
Pay of the Army, remarks of the Secretary of War concerning-----	315
Paymaster-General of the Army, report of the-----	421
Pensacola, navy-yard at-----	492
Pensions, Army-----	307,411
Navy-----	585
report of the Commissioner of-----	734
statement of the Secretary of the Interior concerning-----	585, 586
Treasury concerning-----	53
Political assessments, remarks of President Arthur relating to-----	24
Polygamy, remarks of President Arthur concerning-----	21
Porter, David D., Admiral, report of-----	549
Portsmouth, navy-yard at-----	489
Postal money-order system-----	815
savings depositories-----	821
service, remarks of President Arthur concerning-----	19
telegraph system-----	821
Postmaster-General, report of the-----	799
President, annual message of the, to Congress-----	3
Presidential elections, remarks of President Arthur concerning-----	25
Price, Hiram, Commissioner of Indian Affairs, report of-----	613
Prison, military, at Leavenworth, report concerning the-----	424
Private land claims, report of the Secretary of the Interior concerning-----	571
Public buildings, remarks of the Chief of Engineers concerning-----	440
report of the Secretary of the Interior concerning-----	573, 593
statement of the Architect of the Capitol concerning-----	756
Secretary of the Treasury concerning-----	72

	Page.
Public debt, reduction of the, remarks of the Secretary of the Treasury concerning.....	42, 49
Public lands, statement of the Secretary of the Interior concerning.....	569
Public moneys, statement of the Secretary of the Treasury concerning.....	45
Purvis, C. B., Surgeon-in-chief of the Freedman's Hospital.....	762

Q.

Quartermaster-General, report of the.....	381
Quartermaster's Department, statement of the Secretary of War concerning.....	309
Quarters and barracks, statement of the Quartermaster-General concerning.....	395

R.

Railroad, Pacific, Atlantic and Central.....	719
Central Branch Union.....	581, 714
Kansas.....	697
Missouri.....	712
Northern.....	578, 702
Sioux City and.....	581, 728
Southern.....	579, 726
Texas.....	716
Union.....	575, 576, 694, 714
Railroads, statement of the Quartermaster-General concerning the.....	391
Secretary of the Interior concerning the.....	574
Railroad transportation of the Army.....	391
Ramsay, F. M., Superintendent of the Naval Academy, report of.....	510
Ration, the Army.....	312, 405
Raun, Green B., Commissioner of Internal Revenue, report of.....	79
Receipts and expenditures of the government.....	29
Records of the war of the rebellion, preparation of the.....	323
publication of, the report of.....	423
Recruiting for the Army.....	340
Navy.....	498
Redeemed securities, destruction of, remarks of the Secretary concerning the.....	72
Redemption of national-bank notes.....	42, 51
United States bonds.....	32
Reduction of taxes, remarks of the Secretary of the Treasury concerning the.....	48
Refunding certificates.....	38
Register of the Treasury, report of the.....	297
Registered letters, remarks of the Postmaster-General concerning.....	815
Report of the Adjutant-General of the Army.....	334
Architect of the Capitol extension.....	756
Auditor of the Treasury, First.....	221
Second.....	231
Third.....	243
Fourth.....	256
Fifth.....	272
Sixth.....	280
Board of Visitors to the Insane Asylum.....	775
Naval Academy.....	512
Chief of Engineers.....	435
the Bureau of Construction and Repair, Navy.....	550
Equipment and Recruiting, Navy.....	497
Military Justice, Army.....	370
Navigation, Navy.....	499

	Page.
Report of the Chief of the Bureau of Ordnance, Army	443
Provisions and Clothing, Navy	537
Steam Engineering, Navy	522
Yards and Docks	489
Chief Signal Officer of the Navy	519
Commandant of the Marine Corps	538
Commissary-General of Subsistence	399
Commissioner of Agriculture	991
Customs	219
Indian Affairs	613
Internal Revenue	79
Land Office	693
Pensions	734
Railroads	671
Commissioners of Soldiers' Home	426
Comptroller of the Currency	117
Treasury, First	210
Second	217
Director of the Mint	182
Union Pacific Railroad	694
General of the Army of the United States	327
on the Leavenworth military prison	333
Hydrographer to the Bureau of Navigation	509
Inspector-General of the Army	342
Inspector of Gas and Meters	795
Judge-Advocate-General	370
Lieutenant-General of the Army	353
Major-General of the Army	357
Paymaster-General of the Army	421
Postmaster-General	799
President of the Deaf and Dumb Institution	597
President of the Naval Advisory Board	536
Publication of war records	423
Quartermaster-General of the Army	381
Register of the Treasury	297
Secretary of the Interior	555
Navy	453
Treasury	27
War	304
Signal Officer of the Navy	519
Superintendent of the Blank Agency	835, 853
Foreign Mails	945
Hot Springs Reservation	788
Hydrographic Office, Navy	509
Institution for the Deaf and Dumb	763
Money-Order System	938
Nautical Almanac	520
Naval Academy	540
Observatory	504
Railway Mail Service	895
Yellowstone National Park	790
Surgeon-in-Chief of the Freedman's Hospital, report of	762
Surgeon-General of the Army	408

	Page.
Report of the Topographer of the Post-Office Department.....	953
Treasurer of the United States.....	281
Visitors to the Insane Asylum.....	775
Reserve of the national banks.....	52, 284
Resumption of specie payments, remarks of the Comptroller on.....	126
President on.....	10, 11
Secretary on.....	37
Treasurer on.....	285
Revenue from customs for the fiscal year.....	46
Revenue marine, statement of the Secretary of the Treasury, concerning the....	62
Reynolds, Robert M., First Auditor of the Treasury, report of.....	224
Rifle practice in the Army.....	341
River and harbor improvements, remarks of President Arthur concerning.....	14
report of the Secretary of War concerning.....	317
Rochester, William B., Paymaster-General of the Army, report of.....	421
Rowan, S. C., Admiral, Superintendent of the Observatory, report of.....	504

S.

Sacket, D. B., Inspector-General of the Army, report of.....	342
San Carlos reservation, remarks of the Secretary of the Interior concerning the....	555
Savings banks.....	120, 156, 157
Scott, Capt. Thomas N., report of, on the publication of war records.....	423
Sea-coast defenses.....	14, 316, 436
Sheridan, P. H., Lieutenant-General, report of.....	353
Sherman, W. T., General of the Army, report of.....	327
Ship-building, remarks of President Arthur concerning.....	18
Shock, W. H., Chief of the Bureau of Steam Engineering, report of.....	522
Shufeldt, R. W., President of Naval Advisory Board, report of.....	536
Signal Corps.....	305
Signal Service, remarks of the Secretary of War concerning the.....	321
Silver bullion.....	39, 41, 185
certificates, statement of the Secretary of the Treasury concerning.....	35
coinage.....	10, 11, 35, 36
remarks of the Director of the Mint on.....	182
President on.....	10, 11
Secretary of the Treasury on.....	38
United States Treasurer on.....	288, 290
Signal Officer of the Navy, report of the Chief.....	519
Sinking fund, remarks of the Secretary of the Treasury concerning the.....	28
statement of the Secretary of the Interior concerning the.....	577
Six per cent. and five per cent. bonds, statement of the Comptroller of the Cur- rency concerning.....	127
Smith, J. A., Chief of the Bureau of Clothing and Provisions, report of.....	537
Soldiers' Home, Commissioners of the, report of the.....	426
remarks of the Secretary of War concerning the.....	308
South Pass of the Mississippi River, improvement of the.....	318
Specie payments, statement of the Secretary of the Treasury concerning.....	36, 37
Treasurer concerning.....	285
Spirits, distilled, statistics concerning.....	98
Squadrons, remarks of the Secretary of the Navy concerning the.....	402
statement of President Arthur concerning the.....	16
Stamps, internal-revenue, redemption of.....	89
postal, report on.....	923

	Page.
Standard silver dollar, statement of the Secretary of the Treasury concerning the	35
United States Treasurer concerning the	287
State, War, and Navy Departments building, report on the	431
statement of the Secretary of War concerning	323
Steamboat inspection, statement of the Secretary of the Treasury concerning	67
Steamship mail service, appropriation for	840
Steam-Engineering, Naval Bureau of, chief of the report of	552
Subsistence Department, report of the Commissary-General	399
statement of the Secretary of War concerning the	312
Sugar from beets, remarks of the Commissioner of Agriculture on	993
Naval Academy, report of the	540
Surgeon-General of the Army, report of the	408
Surgical records of the Army, division of	413
Swain, D. S., Judge-Advocate-General, report of	370

T.

Tariff Commission, remarks of the Secretary of the Treasury concerning the	56
Tariff laws, remarks of President Arthur concerning	13
Taxation, reduction of, statement of the Commission on Internal Revenue	80
Taxation of national banks, remarks of President Arthur concerning	43, 44
railroad lands, remarks of the Secretary of the Interior concerning	582
upon liquors and tobacco, remarks of the President concerning the	12, 13
Taxes, reduction of, statement of the Secretary of the Treasury concerning	48
Tea culture, remarks of the Commissioner of Agriculture concerning	992
Telegraph, military, remarks of the Secretary of War concerning	322
Teller, H. M., Secretary of the Interior, report of	555
Tenth Census, remarks of the Secretary of the Interior concerning	590
Tenure of office, remarks of President Arthur concerning	23
Texas and Pacific Railway Company	716
Texas, military station, purchase of	397
Three and a half per cent. bonds, statement of the Secretary of the Treasury concerning	34, 38
Thompson, W. B., Superintendent of Railway Service, report of	895
Tobacco, internal-revenue tax on	92, 96
supply of, to the Army	403
Torpedo defense, Army	437
Naval	469, 551
Trade in American and foreign countries, remarks of President Arthur on	18
the Secretary of the Treasury on	59
Training boys for seamen	477
Transit of Venus	506-508
Transportation of the Army	390
Treasurer of the United States, report of the	281
Treasury, report of Charles J. Folger, Secretary of the	27
Trust-fund bonds, remarks of the Secretary of the Treasury concerning	33

U.

Union Pacific Railroad Director, report of the	694
United States bonds, statement of the Secretary of the Treasury concerning	32
Upton, W. W., Second Comptroller of the Currency, report of	217

	Page.
Utah Territory	592
Ute Indians	653

V.

Venezuela, the government of, remarks of the President concerning.....	6
Venus, observations on the transit of.....	506-508
Veterinary division of the Department of Agriculture	998
surgeons.....	336

W.

Walker, J. G., chief of Bureau of Navigation, report of.....	504
Wagon transportation of the Army	389, 393
Walker, John G., chief of the Bureau of Navigation, report of	499
War records, Union and confederate.....	423
War, report of Robert T. Lincoln, Secretary of.....	304
War, vessels of the Navy, statement of the Secretary concerning.....	453
Washington Aqueduct, remarks of the Chief of Engineers concerning.....	440
Washington, navy-yard at.....	491
Water transportation of the Army.....	393
Wilson, T. D., chief of Bureau of Construction and Repair, report of.....	530
Wright, H. G., Major-General, Chief of Engineers, report of.....	435

Y.

Yards and Docks, Bureau of, remarks of the Secretary of the Navy concerning..	469
report of the Chief of the Bureau of.....	489
Yellowstone National Park.....	598, 790
Yorktown, Virginia, monument at.....	323

O

2503-F
11

UNIVERSITY OF CALIFORNIA LIBRARY

Los Angeles

This book is DUE on the last date stamped below.

REC'D LD-URL

REC'D LD-URL
APR 17 1985

APR 17 1985



3 1158 00982 6271

THE UNIVERSITY OF CALIFORNIA

THE UNIVERSITY OF CALIFORNIA

UC SOUTHERN REGIONAL LIBRARY FACILITY



AA 001 180 586 8

